

Ralph M. Perrey, Executive Director



**ORIGINATING AGENTS GUIDE  
REVISION 118**

January 10, 2017

**Remove and discard:**

**Replace with enclosed:**

Page 3 (Revised 12/19/16)..... Page 3 (Revised 01/18/17)

**EFFECT OF CHANGE**

**Effective Wednesday, January 18, 2017**, the interest rate on the Great Choice Loan Program applications will be increased to 4.375%. Based on this rate, the Homeownership for the Brave Loan Program will increase to 3.875%.

All Great Choice loan applications **received by THDA on or after Wednesday, January 18, 2017**, must be submitted at the higher rate. All applications **received by THDA prior to January 18, 2017**, and outstanding commitments at the lower rates of 4.125% for Great Choice and 3.625% for the Homeownership for the Brave will close at those respective rates.



# **Originating Agents Guide**

**JANUARY 2014**

Latest Revision: 01/18/17

#### **1.4. CURRENT THDA LOAN PROGRAMS**

##### **A. Great Choice Loan Program**

This program is designed for low and moderate income borrowers. Great Choice offers a low interest rate loan secured by a first mortgage with the option of down payment and closing cost assistance to a maximum of 5% of the purchase price at a 0% interest rate, deferred payment, forgivable second loan secured by a second deed of trust. THDA allows the following loan types: FHA, USDA, and VA at the maximum loan limits based on insurer or guarantors guidelines. THDA also allows conventional uninsured loans with a maximum loan to value of 78%.

<b>Maximum Household Income</b>	Varies by county
<b>Maximum Acquisition Cost (Including all incidentals)</b>	Varies by county
<b>Maximum LTV</b>	Subject to FHA, VA, and USDA/RD Guidelines. Conventional Loans 78% LTV or less.
<b>Interest Rate</b>	<b>4.375%</b> fixed rate, subject to change
<b>Loan Term</b>	30 years
<b>Loan Types</b>	FHA, VA, USDA/RD, Conventional
<b>Mortgage Insurance or Guarantee</b>	As required by loan type
<b>Buydowns</b>	Not allowed
<b>Assumable</b>	Subject to qualifying
<b>Pre-Payment Penalty</b>	No penalty
<b>Subject to Recapture</b>	Yes
<b>Required Reserve</b>	As required by loan type
<b>Minimum Investment</b>	As required by loan type
<b>Closing Costs</b>	May come from borrower, seller, a gift, or as required by loan type
<b>Down Payment</b>	As required by loan type
<b>First Time Homebuyer Rule</b>	Borrower must not have an interest in their primary residence within 36 months of application <b>unless</b> the property to be financed with the loan is in a targeted area or the borrower meets the Veteran's exemption. (See THDA website for targeted areas.)
<b>Homebuyer Education</b>	Not required
<b>Origination Fee</b>	Up to 2% maximum
<b>Discount Point</b>	Up to .25

**ORIGINATING AGENTS  
GUIDE REVISION 119**

February 24, 2017

**Remove and discard:**

Page 18 (Revised 04/07/15).....	Page 18 (Revised 02/24/17)
Page 24 (Revised 01/25/16).....	Page 24 (Revised 02/24/17)
Page 25 (Revised 03/07/16).....	Page 25 (Revised 02/24/17)
Page 26 (Revised 03/07/16).....	Page 18 (Revised 02/24/17)
Page 31 (Revised 08/01/15).....	Page 31 (Revised 02/24/17)
Page 32 (Revised 10/05/15).....	Page 32 (Revised 02/24/17)
Add new page .....	Page 5-B (02/24/17)
Add new page .....	Page 17-B (02/24/17)

**Replace with enclosed:**

**Forms**

Underwriting Submission Checklist

*HO-0549 (05.16)..... HO-0549 (02.17)*

Application for Assistance

*HO-0573 (10.16).....Discontinued*

Disclosure of Loan Terms for Great Choice Plus

*HO-0574 (10.16)..... HO-0574 (02.17)*

Disclosure of Loan Terms for HHF-DPA

*New..... HO-0574-HHF (03.17)*

HHF DPA Program Certification

*New..... HO-0580-HHF (03.17)*

Good Faith Estimate for HHF-DPA

*New..... HO-0575-HHF (03.17)*

Second Promissory Note for HHF-DPA

*New..... HO-0503-HHF (03.17)*

Subordinate Deed of Trust for HHF-DPA

*New..... HO-0502-HHF (03.17)*



## EFFECT OF CHANGE

**Effective March 1, 2017**, THDA will begin accepting loan applications for the Hardest Hit Fund Down Payment Assistance (HHF-DPA) second mortgage loan program. THDA received approval from the U.S. Department of Treasury to commit \$60 million in federal funding for the purchase of existing homes in 55 designated ZIP Codes across the state.

### Designated ZIP Codes

37037	37172	37321	37716	37921	38107	
37040	37186	37323	37721	37924	38109	38128
37042	37207	37404	37813	38012	38111	38133
37073	37208	37406	37821	38016	38115	38134
37086	37217	37411	37871	38018	38116	38135
37110	37218	37412	37912	38053	38122	38141
37115	37303	37416	37914	38063	38125	38301
37148	37311	37660	37917	38105	38127	38305

The HHF-DPA second mortgage loan is a \$15,000, 10-year term, 0% interest, deferred second mortgage lien; and must close simultaneously with THDA's Great Choice first mortgage loan. Repayment is required if the borrower sells or refinances the home before year 10 of the loan. The second mortgage lien is forgiven at 20% per year starting at year six, and fully forgiven at the end of year 10.

Forms specific to the Great Choice HHF-DPA second mortgage loan are included with this Revision.

**D. HHF Down Payment/Closing Cost Assistance Loan Program (HHF DPA)**

This loan offers down payment and closing cost assistance to first-time homebuyers at no interest but secured by a second deed of trust. This loan is available only with the THDA Great Choice and Homeownership for the Brave first mortgage loan. The HHF DPA loan is a 0% interest rate, deferred payment, forgivable second lien. The second mortgage loan is forgiven at 20% per year in years 6 through 10.

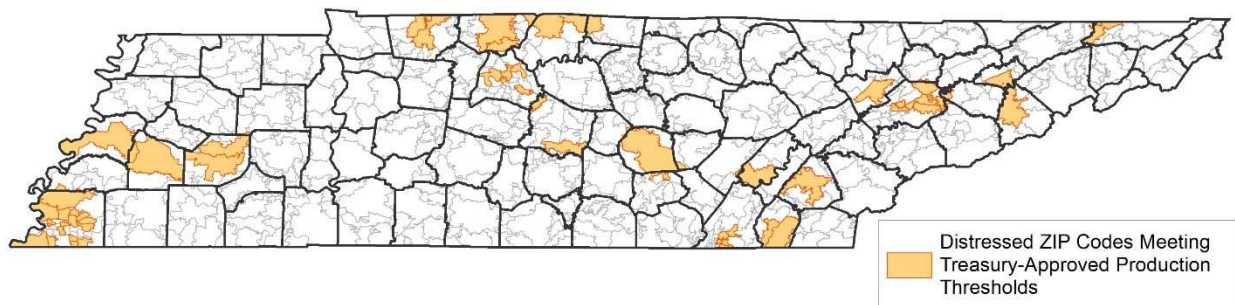
<b>Eligible Borrower</b>	Homebuyer obtaining THDA Great Choice Loan
<b>Maximum Household Income</b>	THDA Great Choice Program Limits apply
<b>Maximum Loan Amount</b>	\$15,000
<b>Interest Rate</b>	0%
<b>Loan Term</b>	10 year deferred, forgivable 20% per year in years 6-10
<b>Underwriting Criteria</b>	Must meet all other THDA Underwriting Guidelines*. Manual underwriting allowed per THDA guide. <i>*Existing construction only, new construction excluded</i>
<b>Pre-Payment</b>	No pre-payment penalty.
<b>Allowable Fees</b>	Recording fee
<b>Closing Documents</b>	HHF-DPA Note and Deed of Trust in the name of THDA
<b>Homebuyer Education</b>	Pre Purchase and Post Purchase Required prior to closing on HHF DPA
<b>Assumption</b>	No Assumptions of HHF DPA
<b>Forgiveness Period</b>	20% per year in years 6-10
<b>Due on Sale</b>	The Great Choice HHF loan is due in full upon 1 <sup>st</sup> mortgage payoff, assumption, or refinance.
<b>Servicing</b>	No monthly second mortgage payment is collected.

### **3.8 HHF-DPA Program Targeted Zip Codes**

THDA received approval from the U.S. Department of Treasury to commit \$60 million in federal funding to its new Down Payment Assistance Program. The source of this funding is U.S. Treasury's Hardest Hit Fund (HHF), which was established in the aftermath of the mortgage market crisis to help homeowners at risk of losing their homes to foreclosure.

THDA's \$15,000 Down Payment Assistance Program is available for existing construction in 55 targeted ZIP Codes located in 30 Tennessee counties based on a number of "stress" factors, including foreclosures, short sales and negative equity rates:

## **HHF-DPA Targeted ZIP Codes**



ZIP Codes Eligible for HHF-DPA

37037	37172	37321	37716	37921	38107	38128
37040	37186	37323	37721	37924	38109	38133
37042	37207	37404	37813	38012	38111	38134
37073	37208	37406	37821	38016	38115	38135
37086	37217	37411	37871	38018	38116	38141
37110	37218	37412	37912	38053	38122	38301
37115	37303	37416	37914	38063	38125	38305
37148	37311	37660	37917	38105	38127	

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## **SECTION 4: OTHER THDA PROGRAM REQUIREMENTS**

### **4.1 ELIGIBLE APPLICANTS**

An Eligible Applicant must meet ALL of the following criteria:

1. Possess and demonstrate the legal capacity to incur the THDA debt (not be judged incompetent, and be age 18 or older or have minority removed by judicial process);
2. Meet credit underwriting standards of the relevant insuring program as evidenced by the approval of a Direct Endorsement underwriter or the insurer program accepted underwriting software, i.e. Loan Prospector, Desktop Underwriter;
3. Be, or become, within 60 days after the THDA loan closing, a resident of the State of Tennessee and intend to occupy the property as their principal residence;
4. Have gross assets of such amounts as to be considered a person of low or moderate income, as THDA may determine from the documentation contained in the application file (See Section 5.2); and
5. Agree to occupy the property as their principal residence and agree not to rent the property during the term of the THDA loan, as sworn to in the Application Affidavit and as precluded by the THDA Rider.
6. Must be a U.S. citizen or permanent resident alien.

### **4.2 PROPERTY ELIGIBILITY**

#### **A. Eligible Property**

Eligible property must meet all of the following requirements:

1. Be one of the following:
  - (a) A detached or semi-detached house;
  - (b) A row-house, townhouse, condominium or be part of a planned unit development. For a property located in a condominium development, including developments less than 100% complete, the condominium development must have approval by either FHA, VA, USDA/RD, FHLMC or FNMA;
  - (c) A one, two, three, or four-family residence, one unit of which must be occupied by Applicant as his/her principal residence;
  - (d) Any of the above types of residences, existing, new or proposed (HHF-DPA excludes new or proposed construction):
    - (1) built on site, or
    - (2) a modular home permanently attached to a foundation (in compliance with HUD guidelines, or
    - (3) a HUD approved double-wide manufactured home permanently attached to a foundation (in compliance with HUD Manual 4930.3, "Permanent Foundations Guide for Manufactured Housing"), with wheels, axles, towing tongue and running lights removed. If any portion of a



## SECTION 5: PROCESSING AND CREDIT UNDERWRITING REQUIREMENTS

### **5.1 OVERVIEW**

#### **A. Disclosures**

##### **1. Great Choice**

Originating agents are required to provide all disclosures that comply with all federal and state laws and/or regulations. These include, without limitation, signed and dated copies of loan estimate, Tennessee Residential Property Condition Disclosure and transfer of servicing disclosures.

##### **2. Great Choice Plus**

Originating agents will provide all disclosures that comply with all federal and state laws and/or regulations. These include GFE and Disclosure of Loan Terms.

#### **B. Underwriting Guidelines, Debt Ratios, Credit Scores, Compensating Factors**

Eligible applicants must meet credit underwriting standards of the relevant insuring program, as evidenced by the approval of a Direct Endorsement underwriter or the insurer, program accepted, underwriting software, i.e. Loan Prospector (LP), Desktop Underwriter (DU). LP or DU acceptance must also be signed by the Originating Agent underwriter or processor verifying the accuracy of information or data required to receive approval.

All loan submissions with a borrower(s) credit score (middle score or lowest score if only two scores) below 640 will not be eligible for THDA funding. THDA will accept loans with the following decision responses which shall meet the following THDA requirements:

1. Approve/Eligible: Maximum debt ratio of 45% and a minimum credit score of 640.
2. Refer/Eligible - due to “no score” only: Loans must be manually underwritten using non-traditional credit guidelines in accordance with FHA guidelines, maximum debt ratio of 36%.
  - Two months PITI in reserves. This cannot be a gift.
3. Refer/Eligible: Loans must be manually underwritten, maximum debt ratio of 43%, minimum credit score of 640, and must meet two of the three THDA overlays listed below.
  - The borrower must have a verified rental history. Verification of rental (VOR) is acceptable if borrower is renting from a commercial management company; or 12 months canceled checks/bank verification if borrower is renting from a private landlord.
  - One month PITI in reserves. This cannot be a gift.
  - A two year job history with a minimum of 12 months at current employer.
4. Approve/Ineligible: As it refers to the HUD REO \$100.00 down payment program only, maximum debt ratio of 45% and minimum credit score of 640.

All THDA loan application packages will be required to include a copy of the completed FHA Loan Underwriting and Transmittal Summary or Loan Analysis signed by an authorized program endorsed underwriter of the Originating Agent, or correspondent underwriting agent. (See Section 6.2. K)

Any closed loan subsequently determined to be ineligible for program insurance due to non-compliance with that program’s credit underwriting guidelines will be ineligible for THDA funding and subject to repurchase without exception.

#### **C. Homebuyer Education-*Great Choice Plus and Homeownership for the Brave Program***

Great Choice Plus and Homeownership for the Brave borrowers are required to obtain pre-purchase homebuyer education and counseling provided by a THDA approved Homebuyer Education (HBEI) Provider at one of the approved agencies listed on THDA’s website at [www.thda.org](http://www.thda.org). Each person on

the loan is required to obtain homebuyer education. The following formats are available for Homebuyer Education:

1. Face-to-Face
  - A minimum of six hours of classroom education
  - A four hour class or workshop, paired with a minimum of one hour of individual counseling
  - A minimum of four hours of face-to-face, one-on-one homebuyer counseling
2. Online Education
  - A minimum of one hour of individual counseling paired with THDA's approved eHomeAmerica online homeownership education course
    - The borrower may access the course via THDA's website or by contacting the approved Provider agency directly.
    - The borrower will select an HBEI Provider and pay a fee during the online registration process.
    - Upon completion of the course, the borrower will be contacted by the HBEI Provider and required to participate in a one hour counseling session. The session provides follow-up counseling on the test questions and additional counseling regarding the customer's budget and responsibilities as a homeowner.

After the Homebuyer Education course is completed, the HBEI Provider will provide the borrower with their THDA Certificate of Completion. The certificate will be in effect for 12 months.

#### **D. Homebuyer Education-HHF DPA Program**

Great Choice HHF and Homeownership for the Brave HHF borrowers are required to obtain pre-purchase and post-purchase homebuyer education and counseling provided by a THDA approved Homebuyer Education (HBEI) Provider at one of the approved agencies listed on THDA's website at [www.thda.org](http://www.thda.org). Each person on the loan is required to obtain pre-purchase and post-purchase homebuyer education prior to receiving THDA's commitment for the loan to close. The following formats are available for Homebuyer Education:

1. Face-to-Face
  - A minimum of eight hours of classroom education covering pre-purchase and post-purchase
  - All available in-person classes are available on the THDA HBE Calendar
  - Agency may choose to offer hands-on workshops for the borrower to attend after closing. Agency will provide details.
2. Online Education
  - A minimum of one hour of individual counseling paired with THDA's approved eHomeAmerica pre-purchase and post-purchase education course
    - The borrower may access the course via THDA's website (HHF-DPA link)
    - The borrower will select an HBEI Provider and pay a fee during the online registration process. Each course will require separate payment; registration is only completed once.
    - Within 24-48 hours of completing both courses, borrower will be contacted by the HBEI Provider to schedule the one hour follow-up session. The session provides follow-up counseling on the test questions and additional counseling regarding the customer's budget and responsibilities as a homeowner.

#### **E. Age of Credit Documents**

All credit documents must be current when submitted to THDA for underwriting. For Commitments with a term of six months (permanent financing on new construction), income documents more than 180 days old must be updated and resubmitted for THDA review and approval when construction is complete.

All updates and requests for extension of the Commitment must be submitted with updated documents for THDA approval prior to the Commitment expiration date.

#### **F. Qualifying Spouse**

When an application is made by two people, both are considered co-applicants for THDA eligibility purposes. Both must sign the Application Affidavit and the income of both persons must be included in calculating Household Income as described in Section 3.3. Both persons must execute the Note and the Deed of Trust.

#### **G. Non-Qualifying Spouse**

1. Cannot have owned principal residence in the past three years unless present property being purchased is in a targeted area.
2. Items required as documentation on the non-qualifying spouse:
  - a. Income verified and a current pay stub.
  - b. Signature on an original Application Affidavit (can be on the same Affidavit as borrower or on a separate Affidavit).
  - c. Copy of the most recent tax year Federal Income Tax Return and W-2's.
  - d. Signature on the Deed of Trust at closing (signing away marital interest).

#### **H. Co-Signers**

THDA will not approve any loan that includes the use of a co-signer.

### **5.2 ASSETS**

#### **A. Substantial Liquid Assets**

If an Applicant has non-recurring deposits in excess of \$300 the Applicant must explain the source and circumstances of such deposits. THDA will make a case-by-case determination of the acceptable level of liquid assets and/or recurring income based on the information and documentation provided in the application file.

#### **B. Sale of Assets**

Funds to close the THDA loan that are obtained from the sale of an asset must be documented. Include a copy of the bill of sale.

If the source of funds to close are from the sale of commercial property, manufactured home (chattel) or non-owner occupant residential real estate, documentation must be provided to establish whether income is being received, or will be received, or to show that the property was sold and not retained for rental income. If there is financing income or rental income, it must be included in Household Income (See Section 3.3).

#### **C. Gift Letter**

A gift letter must be properly documented and verified in accordance with program insurer guidelines.

### **5.3 VERIFICATIONS**

#### **A. Employment Verifications**

Full documentation is required for THDA. All current full-time and part-time employment or self-employment covering a period of at least the last two years must be verified in writing. Telephone verification is acceptable on previous employment. For current employment not verified with a standard

**L.      Loan Application (1003)**

Include the initial 1003, signed and dated by the Applicant(s) and the loan officer and final 1003. Three years of residency must be stated on the 1003.

**M.      Positive Identification**

For all loan types, positive identification of each Applicant must be obtained in accordance with insurer or guarantor guidelines. It is the Originating Agents responsibility to insure that those guidelines are met.

**N.      Credit Report**

The original credit report must be included in the application file unless it is required to be submitted to the insurer or guarantor. The Applicant's credit report must comply with the program insurer's minimum acceptable credit verification guidelines. Merged credit reports that comply with program guidelines are acceptable.

**O.      Final Divorce Decree/Marital Dissolution; Court Ordered Child Support; SSI or Other Assistance**

Include copies of any or all of these documents, as applicable. Parenting plan may be used to determine the accuracy of household composition.

**P.      Verification of Employment; Most Recent Pay Stub; Form Evidencing Telephone Verification of Prior Employment; Self-Employment**

See Sections 5.3 and 5.4.

**Q.      Documentation for Veteran Exemption**

VA Form DD-214 if applicant is a discharged or released veteran. VA Form DD-4 if applicant has re-enlisted, but was eligible for a discharge or release at the time of re-enlistment.

**R.      Original Certificate of Title or Original Manufactured Certificate of Origin (Manufactured Home)**

The **original** Certificate of Title with any lien noted thereon having been marked released, or **original** Manufactured Certificate of Origin ("MCO") in the name of the seller of the subject property or having been endorsed to the seller **MUST** be included in the Underwriting Submission package. The file may be submitted electronically, however, a commitment will not be issued until THDA receives the **original** Certificate of Title or **original** "MCO".

The only exception to this requirement is, if the seller of the subject property has a mortgage on the property and the lien holder is in possession of the title or MCO and will not release it until their loan is paid off. Under this scenario, a copy of the Certificate of Title or MCO must be included in the Underwriting Submission package and the commitment will be conditioned to receive the **original** Certificate of Title or MCO with the Closed Loan package. However, THDA will not purchase the loan until we receive the **original** Certificate of Title or **original** MCO.

**S.      Verification of Deposit or Bank Statements for Previous Two Months**

See Sections 5.3.

**T. Sales Contract**

Include a copy of the purchase agreement (fully executed by seller and Applicant) in the application file. Information in the application file. Any changes to the purchase agreement must be initialed by seller and Applicant.

**U. FHA Conditional Commitment**

Enclose the HUD Form 92800.5B (FHA Conditional Commitment) and the Appraisal Analysis Sheet, both signed by the DE Underwriter.

**V. Appraisal**

Enclose an original Uniform Residential Appraisal Report (FMNA 1004) in the application file. The Uniform Residential Appraisal Report must reflect inspections of both the interior and exterior of the dwelling. If the original Appraisal must be submitted to the loan insurer or guarantor, a legible copy must be enclosed.

If the negotiated sales price for the property was modified after the Appraisal was provided, enclose a letter from the appraiser that indicates any changes in the appraiser's conclusions.

**W. Flood Notification**

If the property lies within a Special Flood Hazard Zone, the Originating Agent must make proper and timely disclosure to the Applicant in compliance with federal regulations. Provide a life of loan Flood Hazard certification with the initial underwriting submission package or closed loan documents.

**X. Loan Estimate**

The initial Loan Estimate (LE) must be included in the Underwriting Submission Package and any subsequent changes in the LE, if necessary, must be included in the Closed Loan Submission Package. Great Choice Plus mortgage loan applications should reflect a \$50 credit from THDA to the borrower, representing the grant THDA is providing the borrower to cover a large portion of the recording fees for the second mortgage loan Deed of Trust.

**Y. Good Faith Estimate**

A Good Faith Estimate (GFE) must be provided for the Great Choice Plus mortgage loan. Recording fees are the only allowable fees.

**6.3 DOCUMENTING NEW CONSTRUCTION FOR CUSTOM BUILT HOMES**

**NOTE:** *This section does not apply to the purchase of a new or proposed residence located on a lot that is not owned by the Applicant prior to the date of the loan closing; new construction is not allowed on HHF-DPA program..*

**A. Documentation Required**

1. Copy of Warranty Deed to lot.
2. Copy of construction contract.
3. Contractor's detailed cost estimate, if applicable.
4. Contractor's final itemized bill, if applicable.
5. Final inspection with photos, when complete.

**B. Manufactured Housing**

For manufactured housing, additional or substituted documentation must include a contract for the manufactured home and documentation for the cost of foundation, utilities, landscaping, driveways and all other necessary improvements.

## Tennessee Housing Development Agency (THDA) Underwriting Submission Checklist

OA Number: \_\_\_\_\_ Primary Applicant: \_\_\_\_\_  
 OA Name: \_\_\_\_\_ Property Address: \_\_\_\_\_  
 OA Address: \_\_\_\_\_ Applicant's Email: \_\_\_\_\_

<b>Program Type:</b> <input type="checkbox"/> Great Choice-1 <sup>st</sup> Mortgage <input type="checkbox"/> Great Choice Plus-2 <sup>nd</sup> Mortgage <input type="checkbox"/> Homeownership for the Brave	<b>DU/LP Recommendation</b> <input type="checkbox"/> Approve/Eligible <input type="checkbox"/> Refer/Eligible <input type="checkbox"/> Manual No Score	<b>Loan Type:</b> <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> USDA/RD <input type="checkbox"/> Conventional	<b>Property Type:</b> <input type="checkbox"/> Single Family Detached <input type="checkbox"/> Condo <input type="checkbox"/> Manufactured Home <input type="checkbox"/> Other _____
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PLEASE ASSEMBLE PACKAGE IN ORDER LISTED BELOW

### THDA PROGRAM ELIGIBILITY

- ☐ 1. Buyer Profile
- ☐ 2. Original Application Affidavit(s), Veteran Exemption Application Affidavit
- ☐ 3. Original Seller Affidavit (notarized)
- ☐ 4. Signed and Dated Tax Returns with all schedules and W-2s for the most recent tax year including non-qualifying spouse
- ☐ 5. IRS Non-Filing Confirmation for most recent tax year including non-qualifying spouse
- ☐ 6. Notice to Applicants Federal Recapture Requirements (signed copy)
- ☐ 7. Homebuyer Education Certification, HHF-DPA Combo Certificate
- ☐ 8. Disclosure of Loan Terms for Great Choice Plus second mortgage (if applicable)
- ☐ 10. Disclosure of Loan Terms for HHF-DPA second mortgage (if applicable)
- ☐ 11. HHF-DPA Program Certification (if applicable)

### CREDIT PACKAGE

- ☐ 10. FHA Loan Underwriting and Transmittal Summary with condition sheet, **AND** Form 92900A p3, signed by DE Underwriter and DU or LP findings
- ☐ 11. USDA/RHS #3555-18
- ☐ 12. Typed Transmittal Summary (1008) signed by underwriter with DU or LP findings within 90 days of AUS or run date
- ☐ 13. VA/Loan Analysis Worksheet Approval OR VA Certificate of Commitment/DD-214 or DD-4 (if applicable)
- ☐ 14. Initial Loan Estimate
- ☐ 15. Initial Good Faith Estimate for Great Choice Plus mortgage loan or HHF-DPA mortgage loan
- ☐ 16. Final Loan Application (Typed URLA) 1003 (3 year residency should be stated)
- ☐ 17. Initial Interviewer's Signed Loan Application 1003 (3 year residency should be stated)
- ☐ 18. Credit Report and credit explanation letters (if applicable)
- ☐ 19. Final Divorce Decree/Marital Dissolution (if applicable)
- ☐ 20. Verification of Court Ordered Child Support/Parenting Plan
- ☐ 21. Verification of SSI or Other Assistance
- ☐ 22. Verifications of Employment (verbal is unacceptable)
- ☐ 23. Most Recent Pay Stub (within past 30 days)
- ☐ 24. Verifications of Prior Employment (telephone verification is acceptable)
- ☐ 25. Self-Employment Cash Flow Worksheet, P & L, 2 years Business Tax Returns (corp. or partnership or sole prop.)
- ☐ 26. Verification of Deposit OR Borrower's Bank Statements for the previous two months
- ☐ 27. Gift Letter
- ☐ 28. Sales Contract and Addendum (Copy)
- ☐ 29. Appraisal Report (URAR) and Condition Sheet with VC Sheet/USDA-RD Conditions, and executed conditional commitment (928005.b), VA CRV
- ☐ 30. Final Inspection and Legible Photos of Subject Property (front, rear, street) and Photos or Photocopies of comparable sales
- ☐ 31. Flood Notification (if applicable, signed by Applicant or certified date mailed to Applicant) (Copy)
- ☐ 32. Grant/Down payment assistance approval letters
- ☐ 33. Original Certificate of Title or Original Manufactured Certificate of Origin (Mobile/Manufactured Homes)
- ☐ 34. FHA 203(h) Proof of permanent residence (if applicable)
- ☐ 35. FHA 203(h) Proof of destruction of residence (if applicable)

### THDA RESERVES THE RIGHT TO REQUEST ADDITIONAL DOCUMENTATION TO EVALUATE THIS LOAN APPLICATION.

The undersigned, an authorized representative of the OA referenced above, hereby certifies and warrants as follows: (i) the information accompanying this submission has been verified and corroborated as required by THDA; (ii) all requirements of applicable federal and/or state law have been met, including, without limitation, all disclosures and requirements in the Federal Reserve Board "Rule" and the Dodd-Frank Act; (iii) the Applicant referenced above and the property proposed for purchase by the Applicant meet all applicable THDA mortgage loan eligibility and program guidelines; and (iv) to the extent this submission is electronic, all documents and affidavits required to be originals or with original signature were obtained.

Originating Agent Authorized Signature \_\_\_\_\_ Print Name and Title \_\_\_\_\_ Date \_\_\_\_\_

Phone No. (\_\_\_\_) \_\_\_\_\_ Fax No. (\_\_\_\_) \_\_\_\_\_ Email address \_\_\_\_\_

Loan Originator Name \_\_\_\_\_ Loan Originator Email \_\_\_\_\_

**Tennessee Housing Development Agency (THDA)**  
**Disclosure of Loan Terms**  
**Great Choice Plus Second Mortgage Loan**

I acknowledge that I am applying for assistance from Tennessee Housing Development Agency (THDA) in the form of a second mortgage loan through the Great Choice Plus, to utilize for down payment and/ or closing costs assistance under the terms of the Great Choice Plus Program.

This disclosure form is required to be presented to me by the lender before settlement and/ or closing of the mortgage when a Loan Estimate (LE) on the second mortgage loan is not provided.

As a Borrower under this program, I understand that the Great Choice Plus second mortgage loan has the following terms and conditions as explained by my originating lender:

- We request a Great Choice Plus mortgage loan in the amount of \$\_\_\_\_\_ (no more than 5% of the Purchase Price)
- The term of the Great Choice Plus second mortgage loan is 30 years, forgiven at the end of the term of the Great Choice first mortgage.
- The interest rate is 0% and is non-amortizing, therefore having no required monthly payment.
- There are no costs or fees charged by THDA and the APR will be 0%.
- A Good Faith Estimate (GFE) is required for the Great Choice Plus second mortgage loan.
- The Great Choice Plus second mortgage loan is required to be repaid upon sale of the property or refinance of my Great Choice first mortgage loan.
- A Grant will be provided to my lender by THDA on my behalf for \$50 of the cost of the recording fees of the Great Choice Plus deed of trust.
- If I have any questions about the Great Choice Plus Second Mortgage Loan I am encouraged to ask my lender or contact THDA for additional information at [SFask@thda.org](mailto:SFask@thda.org) or 1-615-815-2100.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

**Lender**

In connection with this application for a Great Choice Plus loan, I, the undersigned duly authorized representative of \_\_\_\_\_ (the Lender), certify as follows:

- a. The scheduled loan closing date is \_\_\_\_\_, 20\_\_\_\_.
- b. The borrower(s) will not receive any cash at closing as a result of, or from, proceeds from the Great Choice Plus loan. Any "Net Funds to Borrower" at closing will be those allowable by THDA guidelines. (Originating Agent Guide, Section 7.5 D).

\_\_\_\_\_  
Lender

\_\_\_\_\_  
Date

**Tennessee Housing Development Agency**  
**Disclosure of Loan Terms**  
**Hardest Hit Fund Down Payment Assistance Loan Program**

I, the undersigned borrower ("Borrower(s)"), acknowledge that I am applying for assistance from Tennessee Housing Development Agency (THDA) under THDA's Hardest Hit Fund Down Payment Assistance Loan Program ("HHF DPA Loan Program") in the form of a second mortgage loan ("HHF DPA Loan"), to utilize for down payment and/ or closing costs assistance.

This disclosure form is required to be presented to me by the lender handling this HHF DPA Loan for me ("my Lender") before settlement and/or closing of the HHF DPA Loan when a Loan Estimate (LE) on the HHF DPA Loan is not provided.

As a Borrower under the HHF DPA Loan Program, I understand that the HHF DPA Loan has the following terms and conditions and certify that each of the following terms and conditions were explained to me by the my Lender at a time prior to the closing of the HHF DPA Loan:

- A HHF DPA Loan is only available in connection with a THDA Great Choice Loan.
- The amount of the HHF DPA Loan is \$15,000.
- The term is 10 years.
- The outstanding principal balance is forgiven at the rate of 20% per year in years 6-10 of the term.
- The interest rate is 0% and is non-amortizing, therefore no monthly payments are required.
- There are no costs or fees charged by THDA and the APR will be 0%.
- A Good Faith Estimate is required for the HHF DPA Loan.
- The HHF DPA Loan is secured by the same property that secures the Great Choice Loan and will be recorded in second position behind only the deed of trust for the Great Choice Loan and any encumbrances permitted in connection with the Great Choice Loan.
- A default under the Great Choice Loan I am obtaining in connection with this HHF DPA Loan is also a default under this HHF DPA Loan and, in connection with such default, the terms described herein may no longer apply.
- The HHF DPA Loan is due upon the sale of the property securing the Great Choice Loan and the HHF DPA Loan or upon the refinance of the Great Choice Loan.
- The HHF DPA Loan cannot be assigned or assumed.
- A grant will be provided to my Lender by THDA on my behalf for \$50 of the cost of the recording fees of the HHF DPA Subordinate Deed of Trust.
- If I have any questions about the HHF DPA Loan I am encouraged to ask my Lender or contact THDA for additional information at [SFask@thda.org](mailto:SFask@thda.org) or 1-615-815-2100.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

**Lender**

In connection with this application for a HHF DPA Loan, I, the undersigned duly authorized representative of \_\_\_\_\_, the Lender referenced in this Certification, certify as follows:

- a. The scheduled closing date for this Great Choice Loan and HHF DPA Loan is \_\_\_\_\_, 20\_\_.
- b. The Borrower(s) will not receive any cash at closing as a result of, or from, proceeds from the HHF DPA Loan. Any "Net Funds to Borrower" at closing will be only those allowed under the THDA Originating Agent Guide, Section 7.5 D.

\_\_\_\_\_  
Lender

\_\_\_\_\_  
Date



**Tennessee Housing Development Agency  
Hardest Hit Fund Down Payment Assistance Loan Program  
Certification**

I, the undersigned borrower(s), certify under penalty of perjury, as follows:

- that all information I have given on the Uniform Residential Loan Application (“URLA”) provided in connection with my application for a THDA Great Choice Loan and for a Hardest Hit Fund Down Payment Assistance Loan, other documents or materials as may be required by Tennessee Housing Development Agency (“THDA”), and in any accompanying statements, is complete, true, and correct;
- that THDA is entitled to rely on all information provided and representations made in the URLA as if provided in this Certification, including, without limitation, the Acknowledgement and Agreement set forth in Section IX of the URLA.

*I acknowledge that knowingly failing to disclose material information to THDA, or making or causing to be made a false, or fraudulent statement or misrepresentation of material fact in an application for assistance under the THDA Hardest Hit Fund Down Payment Assistance Loan Program, may constitute a crime punishable under State and/or Federal law. I acknowledge that any material omission or false, fictitious, or fraudulent statement or representation or entry could be the basis for civil penalties and assessments under State and/or Federal law.*

**Dodd-Frank Certification**

The following information is required to be provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) (“Dodd-Frank”). **You are required to furnish this information. If you do not provide this information, you will not be eligible for a Hardest Hit Fund Down Payment Assistance Loan.**

Dodd-Frank provides that no person shall be eligible to receive assistance from the Hardest Hit Program, authorized under the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 *et seq.*), or any other mortgage assistance program authorized or funded by that Act, if such person, in connection with a mortgage or real estate transaction, has been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud, or forgery; (B) money laundering; or (C) tax evasion.

I/we certify under penalty of perjury that I/we have not been convicted within the last 10 years of the date of this Certificate of any one of the following in connection with a mortgage or real estate transaction:

- (a) felony larceny, theft, fraud, or forgery;
- (b) money laundering; or
- (c) tax evasion.

I/we understand that THDA, the U.S. Department of the Treasury, or their agents may investigate the accuracy of my statements by performing routine background checks, including automated searches of federal, state and county databases, to confirm that I/we have not been convicted of such crimes. I/we also understand that knowingly submitting false information may violate Federal law.

This Certificate is effective on the earlier of the date listed below or the date received by your lender.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower Signature

\_\_\_\_\_  
Date

**SUBSTITUTE GFE FORM FOR THDA SUBORDINATES**

Second Mortgage Good Faith Estimate Disclosure

**HHF-DPA Mortgage Loan**Name of Applicant(s): \_\_\_\_\_  
\_\_\_\_\_

Application/Loan No: \_\_\_\_\_

Date Prepared: \_\_\_\_\_

Property Address: \_\_\_\_\_  
\_\_\_\_\_Prepared by: **TENNESSEE HOUSING DEVELOPMENT AGENCY**

502 Deaderick St., Third Floor

Nashville, TN 37243

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimated – actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

**Total Loan Amount: \$15,000****Interest Rate: 0%****Term: 120 months****800 ITEMS PAYABLE IN CONNECTION WITH LOAN:**

801	Loan Origination Fee	\$
802	Loan Discount	
803	Appraisal Fee	
804	Credit Report	
805	Lender's Inspection Fee	
808	Mortgage Broker Fee	
809	Tax Related Service Fee	
810	Processing Fee	
811	Underwriting Fee	
812	Wire Transfer Fee	

**1100 TITLE CHARGES:**

1101	Closing or Escrow Fee	\$
1105	Document Preparation Fee	
1106	Notary Fees	
1107	Attorney Fees	
1108	Title Insurance	

**1200 GOVERNMENT RECORDING & TRANSFER CHARGES:**

<b>1201</b>	<b>Recording Fees</b>	<b>\$</b>
1202	City/County Stamps	
1203	State Tax Stamps	

**1300 ADDITIONAL SETTLEMENT CHARGES:**

1302	Pest Inspection	\$
<b>1303</b>	<b>THDA Grant</b>	<b>( \$ 50.00 ) paid by THDA</b>
<b>1304</b>	<b>Homebuyer Education</b>	<b>( \$ 250.00 ) POC paid by THDA</b>

**Estimated Closing Costs: \$**

You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.

These estimates are provided pursuant to the real Estate settlement Procedure Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet at [www.hud.gov/respas](http://www.hud.gov/respas).

Applicant Signature

Applicant Signature

Ralph M. Perrey, Executive Director



**ORIGINATING AGENTS  
GUIDE REVISION 120**

March 3, 2017

**Remove and discard:**

Page 2 (Revised 01/18/17).....	Page 2 (Revised 03/03/17)
Page 3 (Revised 01/18/17).....	Page 3 (Revised 03/03/17)
Page 41 (January 2014).....	Page 41 (Revised 03/03/17)
Page 49 (Revised 10/03/16).....	Page 49 (Revised 03/03/17)
Page 50 (Revised 10/31/16).....	Page 50 (Revised 03/03/17)
Page 51 (Revised 10/05/15).....	Page 51 (Revised 03/03/17)
Page 52 (Revised 10/03/16).....	Page 52 (Revised 03/03/17)

**Replace with enclosed:**

**Forms**

HHF-DPA Settlement Statement

*New..... HO-0576-HHF (03.17)*

**EFFECT OF CHANGE**

Borrowers receiving down payment assistance from THDA cannot receive any funds at closing from this assistance that exceed the amounts that they paid in advance. To prevent any delays at the closing table that arise from excessive cash back to the borrower, THDA will allow a Principal Reduction to be listed on the Closing Disclosure.

Included with this revision is the addition of the HHF-DPA Settlement Statement HO-0576-HHF.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243  
[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.





# **Originating Agents Guide**

**JANUARY 2014**

Latest Revision: 03/03/17

Single Family General Information..... 615-815-2100  
Toll-Free Voice Mail..... 1-800-228-8432  
Fax (24 hours a day, 7 days a week) ..... 615-564-2881

<u>Staff</u>	<u>Telephone</u>	<u>Email Address</u>
Lindsay Hall, Chief Administrative Officer of Single Family Programs	615-815-2080	lhall@thda.org
Rhonda Ronnow, Director of Loan Operations	615-815-2111	rronnow@thda.org
Nancy Herndon, Assistant to Director of Loan Operations	615-815-2101	nherndon@thda.org
Rhonda Ellis, Mortgage Loan Specialist, Processing	615-815-2103	rellis@thda.org
Terry Benier, Mortgage Loan Specialist, MCC Program	615-815-2048	tbenier@thda.org
Pam Norris, Underwriter	615-815-2087	pnorris@thda.org
Tammy Walker, Underwriter	615-815-2091	twalker@thda.org
Lynne Walls, Underwriter	615-815-2089	lwalls@thda.org
Sandy Kist, Underwriter	615-815-2092	skist@thda.org
Chuck Pickering, Closing Manager	615-815-2086	cpickering@thda.org
Caroline Rhodes, Mortgage Loan Specialist, Closing	615-815-2098	crhodes@thda.org
Debbie Couch, Mortgage Loan Specialist, Closing	615-815-2096	dcouch@thda.org
Nick Lee, Mortgage Loan Specialist, Closing	615-815-2083	nlee@thda.org
Justin Hodge, Mortgage Loan Specialist, Closing	615-815-2084	jhodge@thda.org
Jayna Johnson, Homebuyer Education Manager	615-815-2019	jjohnson@thda.org
Donna Neal, Homebuyer Education Specialist	615-815-2085	dneal@thda.org
Debbie Reeves, Real Estate Industry Advisor	626-815-2152	dreeves@thda.org
Darrell Robertson, Mortgage Industry Advisor	615-815-2077	drobertson@thda.org
Ella Harris, Customer Account Manager	615-815-2095	eharris@thda.org
Toumie Stacy, Customer Account Manager	615-815-2122	tstacy@thda.org

#### **1.4. CURRENT THDA LOAN PROGRAMS**

##### **A. Great Choice Loan Program**

This program is designed for low and moderate income borrowers. Great Choice offers a low interest rate loan secured by a first mortgage with the option of down payment and closing cost assistance to a maximum of 5% of the purchase price at a 0% interest rate, deferred payment, forgivable second loan secured by a second deed of trust. THDA allows the following loan types: FHA, USDA, and VA at the maximum loan limits based on insurer or guarantors guidelines. THDA also allows conventional uninsured loans with a maximum loan to value of 78%.

<b>Maximum Household Income</b>	Varies by county
<b>Maximum Acquisition Cost (Including all incidentals)</b>	Varies by county
<b>Maximum LTV</b>	Subject to FHA, VA, and USDA/RD Guidelines. Conventional Loans 78% LTV or less.
<b>Interest Rate</b>	<b>4.625%</b> fixed rate, subject to change
<b>Loan Term</b>	30 years
<b>Loan Types</b>	FHA, VA, USDA/RD, Conventional
<b>Mortgage Insurance or Guarantee</b>	As required by loan type
<b>Buydowns</b>	Not allowed
<b>Assumable</b>	Subject to qualifying
<b>Pre-Payment Penalty</b>	No penalty
<b>Subject to Recapture</b>	Yes
<b>Required Reserve</b>	As required by loan type
<b>Minimum Investment</b>	As required by loan type
<b>Closing Costs</b>	May come from borrower, seller, a gift, or as required by loan type
<b>Down Payment</b>	As required by loan type
<b>First Time Homebuyer Rule</b>	Borrower must not have an interest in their primary residence within 36 months of application <b>unless</b> the property to be financed with the loan is in a targeted area or the borrower meets the Veteran's exemption. (See THDA website for targeted areas.)
<b>Homebuyer Education</b>	Not required
<b>Origination Fee</b>	Up to 2% maximum
<b>Discount Point</b>	Up to .25

## **B. Qualifying Spouse**

Applications involving married applicants require that both spouses meet the first-time homebuyer eligibility, except in Targeted Areas or if eligible for a veteran's exemption.

A non-qualifying spouse must sign the Deed of Trust.

## **C. Rescission**

THDA cannot fund or purchase a loan that is closed with a Three-day Right of Rescission.

## **D. Net Funds "To Borrower"**

A borrower cannot receive any funds from the closing that exceed amounts that they paid in advance from their personal funds for earnest money, appraisal fees, credit report fees, and homebuyer education counseling. If a grant from an entity other than THDA is included in the transaction, coordinate this subject with the grant provider. Borrowers using Great Choice Plus assistance and HHF-DPA cannot receive any funds at closing from the assistance provided.

There are circumstances that arise at the closing table that cause excessive cash back to the borrower. In these situations, THDA will allow a principal reduction to cure the issue.

## **E. Original Certificate of Title or Original Manufactured Certificate (MCO) of Origin (Manufactured Home)**

If the seller of the subject property has a mortgage on the property and the lien holder is in possession of the original title or MCO and will not release it until their loan is paid off, the original Certificate of Title with any lien noted thereon having been marked released, or Manufactured Certificate of Origin ("MCO"), in the name of the seller of the subject property or having been endorsed to the seller MUST be provided to THDA with the closing documents. If the Manufactured Home consists of more than one (1) unit, you will need to provide the title or "MCO" for each unit. THDA will not purchase the loan until we receive the original certificate of Title or original MCO.

## **F. Affidavit of Affixation (Manufactured Home)**

An Affidavit of Affixation is required on all manufactured home loans and must be recorded as a separate document. It cannot be recorded with or attached to the Deed of Trust. THDA's Affidavit of Affixation (Form HO-0453) is to be used unless the Settlement Agent uses an Affidavit of Affixation that meets the statutory requirement of TCA Section 55-3-138.

## **G. Warranty Deed**

A copy of the Warranty Deed (certified copy of recorded Warranty Deed if Manufactured Home) to the subject residence must be provided to THDA in the Closed Loan Submission package.

## **7.6 CLOSING COSTS**

### **Closing Costs and Fees a THDA Borrower May Pay**

1. The borrower may pay any and all reasonable and customary fees and costs normally charged in the market place. If THDA, in its sole discretion, determines that the borrower has been charged a fee that is exorbitant or not customarily charged in the market place, the Originating Agent will be required to refund these fees to the borrower.

## **SECTION 9: THDA FORMS AND INSTRUCTIONS**

As a result of Tax Code requirements, THDA must require certain forms. Application files or closed loan packages that do not contain fully executed THDA forms, as required, will not be accepted by THDA. These forms must be included in THDA application files and in THDA closed loan packages as indicated in this Guide. THDA forms are in addition to the typical forms utilized in the mortgage industry. These forms are to be considered part of this Guide.

THDA forms may not be altered.

THDA forms may not be distributed to a lender who is not an Originating Agent or to any other unauthorized individual or entity.

Detailed instructions for completion of each THDA form follows in the order that they are typically encountered in the lending process:

- Application Affidavit HO-0450 (03/11)
- Veteran Exemption Application Affidavit HO-0460 (02/07)
- Notice to Applicants Federal Recapture Requirements HO-0448 (09/99)
- Seller Affidavit HO-0451 (09/99)
- Buyer Profile HO-0439 (02/15)
- Underwriting Submission Checklist HO-0549 (02/17)
- Affidavit of Affixation HO-0453 (12/06)
- Legally Enforceable Obligation Letter HO-0476
- Closed Loan Submission Checklist HO-0541 (10/15)
- THDA Rider HO-0440 (08/03)
- Request for Loan Purchase with Acknowledgement and Certification HO-0444 (10/14)
- Good Faith Estimate for Second Mortgage HO-0575 (10/16)
- Disclosure of Loan Terms for Great Choice Plus Second Mortgage Loan HO-0574 (02/17)
- Disclosure of Loan Terms for HHF-DPA HO-0574-HHF (03/17)
- Good Faith Estimate for HHF-DPA HO-0575-HHF (03/17)
- Program Certification for HHF-DPA HO-0580-HHF (03/17)

### **APPLICATION AFFIDAVIT HO-0450 (03/11)**

#### **VETERAN EXEMPTION APPLICATION AFFIDAVIT HO-0460 (02/07) (If Applicable)**

The Application Affidavit or Veteran Exemption Application Affidavit (if applicable Application Affidavit) must be executed by each applicant and non-qualifying spouse. The household income figure to be provided in item #4 is the maximum allowable income for the size of the applicant's household and location of property. The acquisition cost figure for Great Choice is to be provided in item #5 is the maximum THDA acquisition cost for the county in which the property is located. The original Application Affidavit or Veteran Exemption Application Affidavit is required by THDA. All changes or whiteouts must be initialed by the Applicant(s).

Each Application Affidavit or Veteran Exemption Application Affidavit, must be executed and notarized within the State of Tennessee; however, in rare circumstances, an Application Affidavit or Veteran Exemption Application Affidavit may be executed and notarized outside the State of Tennessee, such as when a person is a member of the armed forces, is stationed outside the state and is unable to be present while the application is being processed.



## **NOTICE TO APPLICANTS FEDERAL RECAPTURE REQUIREMENTS HO-0448 (09/99)**

This form is mandatory for all THDA loan applications. The Applicant and all Co-Applicants must sign and date the form at the time of application. Provide a copy to the Applicant. Enclose the original signed and dated form in the application file when submitted for THDA underwriting.

## **SELLER AFFIDAVIT HO-0451 (09/99)**

The seller of the property must complete a Seller Affidavit for each application file submitted to THDA. The Seller Affidavit is to assist in determining whether the purchase of the property involves more than the purchase price specified in the sales contract.

The seller must sign and date the Seller Affidavit, and it must be notarized. Enclose the original Seller Affidavit in the application file when submitting for THDA underwriting. In the absence of the original Affidavit at the time of loan approval, a prior to closing contingency will be THDA receipt of the original.

## **BUYER PROFILE HO-0439 (02/15)**

This form is critical to facilitate accurate reports by THDA. Complete this form accurately and completely and enclose it with the application file when submitted for THDA underwriting.

## **UNDERWRITING SUBMISSION CHECKLIST HO-0549 (02/17)**

Use this form as a cover sheet for all application files submitted to THDA.

Follow the checklist closely and complete all information. Items omitted may cause the application file to be returned for completion and resubmission. Do not change the size of this form.

The checklist has five main sections:

1. General Information.
2. THDA Program Eligibility. Must include original documents, notarized as indicated.
3. Great Choice Plus Loans/Downpayment/Closing Cost Assistance. Must be documented as indicated, if applicable.
4. Credit Package. Must include documentation, as indicated.

Originating Agent Information: Provide complete information, including the Originating Agent's four-digit O. A. Number as assigned by THDA. An omitted or incorrect Originating Agent number and omitted or incorrect branch address are the primary causes of misdirected commitments and misdirected funding checks.

Primary Applicant: Include primary Applicant's name as it will appear on all documents. It must be accurate and consistent.

Property Address: Must be accurate and consistent on all documents.

Submission Purpose: As indicated, this form may be used for purposes in addition to the initial submission of an application file.

Program Type: Indicate the desired THDA loan program.

Loan Type: Indicate whether the loan type is FHA, VA, Conventional or USDA/RD.

Property Type: Indicate the correct property type. Check the appropriate block to indicate a residence that is a single family detached or a condominium. Check "Other" and indicate in the blank

provided if the residence is a 2, 3 or 4 family home, or is a PUD, townhouse, zero lot line, modular or manufactured home.

#### THDA Program Eligibility/Credit Package

A check mark, an “X” or “N/A” must be indicated for each document listed on the form. Refer to Section 6.2 for additional information.

An Originating Agent staff member’s signature, printed or typed name and telephone number must appear at the bottom of the checklist. Without this information, the file is considered incomplete. In addition, if this information is omitted, THDA does not know who to call if questions arise.

#### **AFFIDAVIT OF AFFIXATION HO-0453 (12/06)**

An original Affidavit of Affixation is required on all manufactured home loans and must be recorded as a separate document. It cannot be recorded with or attached to the Deed of Trust for recordation.

#### **LEGALLY ENFORCEABLE OBLIGATION LETTER HO-0476**

For any Great Choice loans insured by FHA/HUD the Originating Agent will receive a Legally Enforceable Obligation Letter (LEOL) attached to the THDA Loan Commitment. HUD/FHA requires that THDA provide a Legally Enforceable Obligation Letter when THDA has agreed to provide DPA funds in the form of the Great Choice Plus loan. The Borrower(s) is to sign the LEOL at closing and a copy of the executed LEOL must be sent back to THDA with the initial closing submission package in order for THDA to purchase the Great choice Plus loan.

The Originating Agent is to retain the original LEOL in their loan file to accompany the FHA insurance application associated with the first mortgage.

#### **CLOSED LOAN SUBMISSION CHECKLIST HO-0541 (10/15)**

Use this form when submitting all closed loan files to THDA, regardless of the source of funding. This form can also be used as a checklist for submission of follow-up documentation. Complete all items on this form. Do not change the size of this form.

#### **THDA RIDER HO-0440 (08/03)**

The THDA Rider must be completed, executed, attached to and recorded with the deed of trust for all THDA first mortgage loans, regardless of loan type. The THDA Rider must be signed by all Borrowers who are required to sign the first deed of trust and recorded with the deed of trust.

#### **REQUEST FOR LOAN PURCHASE WITH ACKNOWLEDGEMENT AND CERTIFICATION HO-0444 (10/14)**

All loans closed by the Purchase Method must be accompanied by an executed Request For Loan Purchase with Acknowledgement and Certification when delivered to THDA. By submitting a loan file for purchase by THDA, each Originating Agent is deemed to affirm the Acknowledgement and Certification appearing on the master form of the Request For Loan Purchase with Acknowledgement and Certification with respect to each loan file submitted regardless of whether the Acknowledgement and Certification is included with the form submitted with a particular loan file.

*Provide all information indicated. Check the appropriate box indicating whether the loan file is complete in all respects or not. Sign and date where indicated, print name and title, and provide telephone number. Omitted information may cause the loan file to be returned to the Originating Agent.*

**GOOD FAITH ESTIMATE FOR SECOND MORTGAGE HO-0575 (10/16)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**DISCLOSURE OF LOAN TERMS FOR GREAT CHOICE PLUS SECOND MORTGAGE LOAN HO-0574 (03/03/17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**DISCLOSURE OF LOAN TERMS FOR HHF-DPA HO-0574-HHF (03/03/17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**GOOD FAITH ESTIMATE FOR HHF-DPA HO-0575-HHF (03/17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**PROGRAM CERTIFICATION FOR HHF-DPA HO-0580-HHF (03/17)**

This disclosure is required by the Department of Treasury on all HHF-DPA loans.

**HHF-DPA SETTLEMENT STATEMENT****Closing Disclosure for Hardest Hit Fund DPA Loan**

Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing and are shown here for informational purposes and are not included in the totals.

**Name and Address of Borrower(s):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Property Location:** \_\_\_\_\_  
\_\_\_\_\_

**Lender:**

Tennessee Housing Development Agency  
502 Deaderick St., Third Floor  
Nashville, TN 37243  
(615) 815-2100

**Settlement Date:** \_\_\_\_\_

Summary of Borrower's Transaction	
100. Gross Amount Due from Borrower	
101. Contract sales price	
102. Personal Property	
103. Settlement Charges to Borrower	
<b>120. Gross Amount Due From Borrower</b>	
200. Amounts Paid by or in Behalf of Borrower	
201. Deposit or earnest money	
202. Principal amount of new loan	
203. Existing loan(s) taken subject to	
204. THDA Grant	\$50.00
<b>220. Total Paid by/for Borrower</b>	
300. Cash at Settlement from/to Borrower	
301. Gross amount due from Borrower (Line 120)	
302. Less amount paid by/for Borrower (Line 220) ( )	
<b>303. Cash To Borrower For DPA on 1st Mtg</b>	

Settlement Charges	
<b>800. Items Payable in Connection with Loan</b>	
801. Loan Origination	
802. Loan Discount	
803. Appraisal	
804. Credit Report	
805. Lender's Inspection	
808. Mortgage Broker Fee	
809. Tax Related Service Fee	
810. Processing Fee	
811. Underwriting Fee	
812. Wire Transfer Fee	
<b>1100. Title Charges</b>	
1101. Closing or Escrow Fee	
1105. Doc Preparation Fee	
1106. Notary Fees	
1107. Attorney Fees	
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<b>1200. Government Recording and Transfer</b>	
1201. Recording Fees To Register of Deeds	
1202. Deed \$ Mortgage \$	
1203. Transfer taxes	
1204. City/County tax/Stamps	
1205. State tax/stamps	
<b>1300. Additional Settlement Charges</b>	
1302. Pest Inspection	
1304. Homebuyer Education \$250 POC by THDA	
1400. Total Settlement Charges	

The undersigned hereby acknowledges receipt of a completed copy of this statement.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Borrower Signature

## **Instructions for HHF-DPA 2<sup>nd</sup> Settlement Statement**

Please complete the Settlement Statement Form HO-0576-HHF for the second loan in order for the correct number to go on the Closing Disclosure for the first loan. It is suggested that both forms be sent to the borrower at the same time in order to meet the 3 day requirement.

THDA must receive both Closing Disclosures in the closing packages that are uploaded after closing. If the forms are not correct, the loans will not fund until they are submitted correctly.

<b>Line</b>	<b>Description</b>
103	Same as recording fee. Same amount on line 120 and 1400.
120	Same amount on line 103 and 1400.
202	Amount of 2 <sup>nd</sup> loan.
204	\$50 grant is auto filled on the form and must be added on every loan.
220	Total of line 202 and 204.
301	Same amount as line 120.
302	Same amount as line 220.
303	Total of lines 301 and 302. This amount goes on the CD for the first loan on Line L-06.
1201	Recording fee for 2 <sup>nd</sup> deed of trust; should also be on line 1202. This amount is normally \$42 or \$47, depending on whether an extra page is added for the legal description.
1203	Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.
1204	Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.
1205	Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.
1400	Total Settlement Charges; the same as recording fee. Same amount on line 103 and 120.

**For additional assistance please submit questions to [sfASK@thda.org](mailto:sfASK@thda.org).**

Ralph M. Perrey, Executive Director



## ORIGINATING AGENTS GUIDE REVISION 121

April 4, 2017

### **Remove and discard:**

Page 2 (Revised 03/03/17).....	Page 2 (Revised 04/04/17)
Page 3 (Revised 03/03/17).....	Page 3 (Revised 04/04/17)
Page 7 (Revised 10/31/16).....	Page 41 (Revised 04/04/17)
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Page 42 (Revised 10/05/15).....	Page 50 (Revised 04/04/17)
Page 43 (January 2014).....	Page 51 (Revised 04/04/17)
Page 44 (January 2014).....	Page 52 (Revised 04/04/17)
Page 46 (Revised 10/05/15).....	Page 52 (Revised 04/04/17)

### **Replace with enclosed:**

## EFFECT OF CHANGE

**Effective with loan applications dated May 1, 2017** there will be a change in the fees Originating Agents may charge.

- Discount Points of .25% will no longer be allowed.
- The allowable application fee will be changed from “up to \$600” to “within the normal and customary limits”.
- The origination fee of up to 2% of the Base Loan Amount will remain in effect.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243  
[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.



Single Family General Information..... 615-815-2100  
Toll-Free Voice Mail..... 1-800-228-8432  
Fax (24 hours a day, 7 days a week) ..... 615-564-2881

<u>Staff</u>	<u>Telephone</u>	<u>Email Address</u>
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Debbie Reeves, Real Estate Industry Advisor	626-815-2152	dreeves@thda.org
Darrell Robertson, Mortgage Industry Advisor	615-815-2077	drobertson@thda.org
Toumie Stacy, Customer Account Manager	615-815-2122	tstacy@thda.org

## **1.4. CURRENT THDA LOAN PROGRAMS**

### **A. Great Choice Loan Program**

This program is designed for low and moderate income borrowers. Great Choice offers a low interest rate loan secured by a first mortgage with the option of down payment and closing cost assistance to a maximum of 5% of the purchase price at a 0% interest rate, deferred payment, forgivable second loan secured by a second deed of trust. THDA allows the following loan types: FHA, USDA, and VA at the maximum loan limits based on insurer or guarantors guidelines. THDA also allows conventional uninsured loans with a maximum loan to value of 78%.

<b>Maximum Household Income</b>	Varies by county
<b>Maximum Acquisition Cost (Including all incidentals)</b>	Varies by county
<b>Maximum LTV</b>	Subject to FHA, VA, and USDA/RD Guidelines. Conventional Loans 78% LTV or less.
<b>Interest Rate</b>	<b>4.625%</b> fixed rate, subject to change
<b>Loan Term</b>	30 years
<b>Loan Types</b>	FHA, VA, USDA/RD, Conventional
<b>Mortgage Insurance or Guarantee</b>	As required by loan type
<b>Buydowns</b>	Not allowed
<b>Assumable</b>	Subject to qualifying
<b>Pre-Payment Penalty</b>	No penalty
<b>Subject to Recapture</b>	Yes
<b>Required Reserve</b>	As required by loan type
<b>Minimum Investment</b>	As required by loan type
<b>Closing Costs</b>	May come from borrower, seller, a gift, or as required by loan type
<b>Down Payment</b>	As required by loan type
<b>First Time Homebuyer Rule</b>	Borrower must not have an interest in their primary residence within 36 months of application <b>unless</b> the property to be financed with the loan is in a targeted area or the borrower meets the Veteran's exemption. (See THDA website for targeted areas.)
<b>Homebuyer Education</b>	Not required
<b>Origination Fee</b>	Up to 2% maximum



2. Normal and Customary Fees – including, without limitations, appropriate application fee. Either Applicant or Seller may pay fees.
3. Service Release Fee - The amount depends on the agreement between Originating Agent and an approved THDA Servicer in connection with the sale of servicing. This agreement must be in writing, fully executed, and approved by THDA before a Commitment can be issued by THDA. Servicing can only be sold directly to an approved THDA Servicer.
4. Interest - For loans closed by the Purchase Method, an Originating Agent may retain per diem interest at the note rate for the number of days Originating Agent holds the loan prior to purchase by THDA.

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

## 2. Great Choice Plus

The Great Choice Plus loan is a 0% interest rate, deferred payment, forgivable second lien. The second mortgage loan is forgiven at the end of the term of the Great Choice first mortgage loan.

### **F. Prepayment Penalty**

Prepayment penalties are not permitted on THDA loans.

### **G. Late Charge**

Late charges, if any, must be reflected in the Deed of Trust and Note and must be in compliance with program insurer's guidelines.

### **H. Origination Fee**

Only the authorized Origination Fee may be charged.

### **I. Assumptions**

THDA first mortgage loans are assumable only if the person assuming the THDA loan meets all THDA program requirements applicable to new THDA loans, and the assumption application is approved by THDA. Assumption applications are processed by THDA or the THDA Servicer of the loan to be assumed.

THDA second mortgage loans are not assumable with the exception of a VA assumption.

## **4.4 FEDERAL RECAPTURE**

All THDA loans closed after December 31, 1990, are subject to the federal recapture tax. The recapture tax is designed to recapture a portion of the subsidy associated with THDA loans. Recapture tax liability must be determined at the time the property is sold, if the sale occurs within nine years from the closing of the THDA loan. Refinancing a THDA loan does not trigger recapture tax liability, however, if the property is sold after the date of refinancing but before the ninth anniversary of the THDA loan closing, recapture tax liability must be determined at the time of sale. THDA Originating Agents notify the Applicant about recapture tax at the time a THDA loan application is made by securing their signature on the Notice To Applicants Federal Recapture Requirements.

Whether the recapture tax results in an actual payment to the federal government depends on a number of factors, including changes in family income, gain on the sale of the property, the number of years the THDA loan is outstanding, and the original THDA loan amount. The exact amount to be paid, if any, cannot be determined until the property is sold.

A THDA loan, originally closed after December 31, 1990, that is assumed within nine years from the date of the original THDA loan closing is subject to the recapture tax for an additional nine year period beginning on the date of the assumption.

For further information regarding the federal recapture tax, advise Applicants or Borrowers to contact their tax professional. Written information is available by ordering IRS Form 8828 "Recapture of Federal Mortgage Subsidy" and its accompanying instructions from any IRS office or through the IRS website at [www.irs.gov](http://www.irs.gov).

2.      **Origination Fee**

A fee up to 2% of the Base Loan Amount is permissible, and is paid to the Originating Agent. The origination fee may not be charged on financed FHA MIP, VA Guaranty Fee, USDA/RD Guaranty Fee or PMI, unless expressly permitted by FHA, VA, USDA/RD or PMI regulations. Either the Borrower or the seller may pay the Origination Fee up to 2%. No additional origination fee may be charged to the Borrower or seller.

A loan originator may designate an origination point on page 2 of the CD.

3.      THDA allows the Originating Agent to charge normal and customary fees, including without limitations, appropriate application fee. If the Originating Agent elects to charge the Application Fee, it must be included on the LE and CD.
4.      A \$50 grant will be provided to the borrower for the Great Choice Plus program. The credit should be reflected on the GFE. THDA will reimburse the lender at the time the loan is purchased.

## **7.7 USE OF MERS SYSTEM**

Originating Agents who are MERS members, in good standing, may use loan documentation showing Mortgage Electronic Registration Systems, Inc., as the nominee for Originating Agent and Originating Agent's successors and assigns for THDA loans closed on or after July 1, 2006. The THDA loan number must be reflected on all THDA loan documentation in addition to the use of the Mortgage Identification Number (MIN) as may be assigned and required by MERS.

Originating Agents shall cause each deed of trust (with THDA Rider) securing a THDA loan to be properly recorded in the Register's Office of the county in which the property is located and to register such deeds of trust with MERS in accordance with applicable MERS requirements. Originating Agent may sell servicing rights to THDA loans registered with MERS only to THDA approved Servicers who are also MERS members in good standing.

Originating Agent shall, upon THDA's request, obtain and properly record an assignment of any MERS registered THDA loan from MERS to THDA or as THDA may direct. In the event of any dispute regarding a THDA loan registered with MERS, Originating Agent shall take all steps deemed necessary by THDA to protect THDA's interest. All other requirements of this Guide and of the Working Agreement between THDA and Originating Agent shall apply to each THDA loan regardless of registration with MERS.

## **SECTION 8: SHIPPING A CLOSED THDA LOAN**

### **8.1 OVERVIEW**

#### **A. Originating Agent Obligations**

Originating Agents must conform to strict time tables when shipping a closed loan file to THDA and to the THDA Servicer. The THDA Closed Loan Transmittal lists the documents that must be provided to THDA with each closed loan file.

In order to avoid potential problems in complying with THDA timeliness guidelines and the resulting fees for such, upon receipt of the closed loan file from the Settlement Agent, Originating Agents are strongly encouraged to:

1. Audit all documents for accuracy,
2. Immediately secure any necessary corrections,
3. Promptly submit required documents to the THDA Servicer indicated on the Commitment to facilitate timely notification to the Borrower in preparation for the first scheduled loan payment,
4. Submit all information and materials required to obtain insurance or guarantee, and
5. Comply with THDA delivery deadlines.

#### **B. Document Caption**

Documents or files delivered to THDA must be clearly identified with the Originating Agent's name, the primary Borrower's name, the THDA loan number, and the name and telephone number of the Originating Agent's contact person. When shipping follow-up documents after the initial closed loan file has been delivered, Originating Agents must properly identify all documents being delivered. More than one loan file may be delivered in each envelope; however, documents for each loan file must be clearly identified.

#### **C. Shipping Address**

When delivering closed loan files and follow-up documents, specify "Single Family Programs Division, Closing Department". Documents delivered without "Single Family Programs Division" included in the address may be misdirected or lost.

### **8.2 DELIVERY DEADLINES**

Delivery of all THDA closed loan files must conform to the following deadlines:

1. 10 Day Deadline  
For all THDA loans, THDA must receive the THDA Closed Loan Transmittal, the original Notes, per diem interest (if applicable), and all other required initial submission documentation regardless of type or source of funding, within ten (10) calendar days following closing.
2. 120 Day Deadline  
THDA must be in receipt of all necessary documentation, including the recorded Deed of Trust, Assignment (n/a if MERS documents submitted), Title Insurance Policy, final

inspections and insuring or guarantee certificate within 120 days of closing, on all THDA loans.

THDA may grant one extension, for a period not to exceed thirty (30) calendar days, to the delivery deadline to allow for additional efforts to resolve the problems. THDA may consider additional extensions. Any additional extensions must be approved by THDA, in THDA's sole discretion.

THDA may decide to complete a file without all final corrections being received. In those cases, the Originating Agent would receive notification from THDA of the correction(s) to be made and the Originating Agent will be responsible for completion of the file.

3. Servicing Package Deadline

Promptly after closing, required documentation must be delivered to the THDA Servicer indicated on the Commitment.

### **8.3 FAILURE TO MEET DELIVERY DEADLINES**

Any loan closing file remaining incomplete on the 151<sup>st</sup> day following closing, regardless of extension status and/or file documentation status, will result in THDA issuing a demand for repurchase, along with repurchase instructions and deadline, without any further notice to the Originating Agent, unless a further extension was granted by THDA. If the loan has not yet been purchased by THDA, it will immediately become ineligible for purchase on the 151<sup>st</sup> day following closing, unless a further extension was granted by THDA. Loans declared ineligible for purchase by THDA, including Great Choice Plus loans and/or loans repurchased from THDA, are not eligible for subsequent purchase by THDA.

THDA may require Originating Agents who submit loans closed by the Purchase Method and do not comply with delivery deadlines to submit all final documents before their loans will be eligible for purchase by THDA.

Originating Agents who consistently fail to meet delivery deadlines will be suspended from new loan originating until such time that the delinquent loan closings are completed.

### **8.4 REQUIRED DOCUMENTS FOR A COMPLETE CLOSED LOAN FILE**

**A. Closed Loan Submission Checklist**

A completed THDA Closed Loan Submission Checklist must be used as the cover sheet when submitting closed loan files to THDA. See Section 9 for detailed instructions.

**B. Request for Loan Purchase with Acknowledgement and Certification**

For loans closed by the Purchase Method, execute this form and enclose in the order indicated on the Closed Loan Submission form. See Section 9 for detailed instructions.

**I. Warranty Deed**

Enclose a copy (before recording) of the fully executed Warranty Deed(s) that convey(s) the property to the Borrower. A copy of the recorded Warranty Deed(s) is/are required if a Manufactured Home.

**J. Closing Disclosure**

The Closed Loan Submission Package must include the Closing Disclosure (CD).

Great Choice Loan Allowable Fees

I. Great Choice Loan:

A loan originator may designate an origination point on page 2 of the CD. THDA allows up to 2% origination points for all Great Choice loans.

Please note that THDA allows the Originating Agent to charge normal and customary fees, including without limitations, appropriate application fee. If the Originating Agent elects to charge an Application Fee, it must be included on the CD.

II. Great Choice Plus Loan:

THDA only allows customary recording fees. THDA does not allow Lender title policy on the Great Choice Plus loan. THDA Great Choice Plus loans are exempt from state stamp taxes. HUD-1 will be used to disclose recording fee and \$50 grant from THDA.

**K. Hazard Insurance**

THDA must receive a copy of the hazard insurance policy declarations page, or a copy of the Certificate of Insurance, signed by an authorized agent of the insurance company. The original policy or Certificate of Insurance must be sent to the THDA Servicer.

**L. Termite Inspection/Treatment Certificate (when applicable)**

See Section 7.4.C.

**M. Flood Insurance (when applicable)**

See Section 7.4.E.

**N. Commitment Conditions**

Enclose any documents to satisfy, at closing, conditions specified in the Commitment, if not otherwise satisfied with documents listed above.

Ralph M. Perrey, Executive Director



**ORIGINATING AGENTS GUIDE  
REVISION 122**

May 11, 2017

**Remove and discard:**

**Replace with enclosed:**

Page 10 (Revised 06/11/16) ..... Page 10 (Revised 05/24/17)

**EFFECT OF CHANGE**

Effective May 24, 2017, Household Income Limits are revised. All THDA loan applications received on or after May 24, 2017 will be considered in accordance with these new Household Income Limits. All THDA loan applications received prior to this date will utilize the old Household Income Limits.

## D. Current Acquisition Cost Limits By MSA\*/County

		Household Income Limits				Household Income Limits			
		1-2	3 +			1-2	3 +		
Counties		Persons	Persons	Counties		Persons	Persons		
Anderson		\$250,000	\$63,900	\$73,485	Lewis		\$250,000	\$57,480	\$67,060
Bedford		\$250,000	\$59,040	\$68,557	Lincoln	T	\$300,000	\$68,760	\$80,220
Benton		\$250,000	\$57,480	\$67,060	Loudon	T	\$300,000	\$76,680	\$89,460
Bledsoe	T	\$300,000	\$68,760	\$80,220	Macon	T	\$375,000	\$68,760	\$80,220
Blount		\$250,000	\$63,900	\$73,485	Madison	T	\$300,000	\$68,760	\$80,220
Bradley	*	\$250,000	\$59,015	\$67,867	Marion	T	\$300,000	\$71,400	\$83,300
Campbell	T	\$300,000	\$68,760	\$80,220	Marshall		\$250,000	\$59,175	\$68,051
Cannon	T	\$375,000	\$82,440	\$96,180	Maury	T	\$375,000	\$72,120	\$84,140
Carroll	T	\$300,000	\$68,760	\$80,220	McMinn		\$250,000	\$59,135	\$68,005
Carter		\$250,000	\$59,095	\$67,959	McNairy	T	\$300,000	\$68,760	\$80,220
Cheatham		\$375,000	\$82,440	\$96,180	Meigs	T	\$300,000	\$68,760	\$80,220
Chester	T	\$300,000	\$68,760	\$80,220	Monroe	T	\$300,000	\$68,760	\$80,220
Claiborne	T	\$300,000	\$68,760	\$80,220	Montgomery	*	\$250,000	\$58,295	\$67,039
Clay	T	\$300,000	\$68,760	\$80,220	Moore		\$250,000	\$58,000	\$66,700
Cocke	T	\$300,000	\$68,760	\$80,220	Morgan	T	\$300,000	\$68,760	\$80,220
Coffee	*	\$250,000	\$59,175	\$68,051	Obion	T	\$300,000	\$68,760	\$80,220
Crockett	T	\$300,000	\$68,760	\$80,220	Overton	T	\$300,000	\$68,760	\$80,220
Cumberland		\$250,000	\$57,480	\$67,060	Perry		\$250,000	\$57,480	\$67,060
Davidson	*	\$375,000	\$82,440	\$96,180	Pickett	T	\$300,000	\$68,760	\$80,220
Decatur		\$250,000	\$57,480	\$67,060	Polk	T	\$300,000	\$68,760	\$80,220
DeKalb	T	\$300,000	\$68,760	\$80,220	Putnam		\$250,000	\$59,520	\$68,465
Dickson		\$375,000	\$82,440	\$96,180	Rhea	T	\$300,000	\$68,760	\$80,220
Dyer	T	\$300,000	\$68,760	\$80,220	Roane		\$250,000	\$58,475	\$67,246
Fayette	T	\$300,000	\$68,760	\$84,000	Robertson	*	\$375,000	\$82,440	\$96,180
Fentress	T	\$300,000	\$68,760	\$80,220	Rutherford	*	\$375,000	\$82,440	\$96,180
Franklin	T	\$300,000	\$68,760	\$80,220	Scott	T	\$300,000	\$68,760	\$80,220
Gibson	T	\$300,000	\$68,760	\$80,220	Sequatchie	T	\$300,000	\$71,400	\$83,300
Giles	T	\$300,000	\$68,760	\$80,220	Sevier		\$250,000	\$58,935	\$67,775
Grainger	T	\$300,000	\$68,760	\$80,220	Shelby	*	\$250,000	\$60,000	\$69,000
Greene	T	\$300,000	\$68,760	\$80,220	Smith		\$375,000	\$67,200	\$78,400
Grundy	T	\$300,000	\$68,760	\$80,220	Stewart	T	\$300,000	\$68,760	\$80,220
Hamblen	*	\$250,000	\$59,040	\$68,557	Sullivan	*	\$250,000	\$58,615	\$67,407
Hamilton	*	\$250,000	\$59,500	\$68,425	Sumner		\$375,000	\$82,440	\$96,180
Hancock	T	\$300,000	\$68,760	\$80,220	Tipton	T	\$300,000	\$72,000	\$84,000
Hardeman	T	\$300,000	\$68,760	\$80,220	Trousdale	T	\$375,000	\$82,400	\$96,180
Hardin	T	\$300,000	\$68,760	\$80,220	Unicoi	T	\$300,000	\$68,760	\$80,220
Hawkins	T	\$300,000	\$68,760	\$80,220	Union	T	\$300,000	\$76,680	\$89,460
Haywood	T	\$300,000	\$68,760	\$80,220	Van Buren	T	\$300,000	\$68,760	\$80,220
Henderson	T	\$300,000	\$68,760	\$80,220	Warren		\$250,000	\$57,480	\$67,060
Henry	*	\$250,000	\$59,520	\$68,465	Washington	*	\$250,000	\$59,095	\$67,959
Hickman	T	\$375,000	\$68,760	\$80,220	Wayne	T	\$300,000	\$68,760	\$80,220
Houston	T	\$300,000	\$68,760	\$80,220	Weakley	*	\$250,000	\$58,975	\$67,821
Humphreys		\$250,000	\$58,355	\$67,108	White	T	\$300,000	\$68,760	\$80,220
Jackson	T	\$300,000	\$68,760	\$80,220	Williamson		\$375,000	\$82,440	\$96,180
Jefferson	T	\$300,000	\$68,760	\$80,220	Wilson		\$375,000	\$82,440	\$96,180
Johnson	T	\$300,000	\$68,760	\$80,220	T Denotes a targeted county. The first–time homebuyer requirement is waived.				
Knox	*	\$250,000	\$63,900	\$73,485					
Lake	T	\$300,000	\$68,760	\$80,220	* Denotes that some census tracts in the county are targeted, and in these census tracts, the first–time homebuyer requirement is waived.				
Lauderdale	T	\$250,000	\$68,760	\$80,220					
Lawrence	T	\$250,000	\$68,760	\$80,220					



**ORIGINATING AGENTS  
GUIDE REVISION 123**

July 20, 2017

**Remove and discard:**

Page 2 (Revised 04/04/17) .....	Page 2 (Revised 07/20/17)
Page 29 (Revised 08/01/15).....	Page 29 (Revised 07/20/17)
Page 30 (Revised 08/01/15).....	Page 30 (Revised 07/20/17)
Page 31 (Revised 02/24/17).....	Page 31 (Revised 07/20/17)
Page 32 (Revised 02/24/17).....	Page 32 (Revised 07/20/17)
Page 49 (Revised 03/03/17).....	Page 49 (Revised 07/20/17)
Page 50 (Revised 03/03/17) .....	Page 50 (Revised 07/20/17)
Page 51 (Revised 03/03/17) .....	Page 51 (Revised 07/20/17)
Page 52 (Revised 03/03/17) .....	Page 52 (Revised 07/20/17)

**Replace with enclosed:**

**Forms**

Federal Recapture Tax Requirements

*HO-0448 (09.99)..... HO-0549 (07.17)*

Closed Loan Submission Checklist

*HO-0541 (10.15).....HO-0541 (07.17)*

Underwriting Submission Checklist

*HO-0549 (02.17)..... HO-0549 (07.17)*

Disclosure of Loan Terms for Great Choice Plus

*HO-0574 (02.17)..... HO-0574 (07.17)*

Disclosure of Loan Terms for HHF-DPA

*HO-0574-HHF (03.17)..... HO-0574-HHF (07.17)*

Good Faith Estimate Disclosure Great Choice Plus

*HO-0575 (10.16)..... HO-0575 (07.17)*

Good Faith Estimate Disclosure HHF-DPA

*HO-0575-HHF (03.17)..... HO-0575-HHF (07.17)*

**EFFECT OF CHANGE**

Effective **August 1, 2017**, the borrower's title commitment must be submitted with the underwriting package. All matters shown in the public records for the proposed borrower that would be exclusions from coverage, on Schedule B or otherwise, must be shown.

This Revision contains updated THDA forms and pages to the guide affected by the revisions.





# **Originating Agents Guide**

**JANUARY 2014**

Latest Revision: 07/20/17

Single Family General Information..... 615-815-2100  
Toll-Free Voice Mail..... 1-800-228-8432  
Fax (24 hours a day, 7 days a week) ..... 615-564-2881

<u>Staff</u>	<u>Telephone</u>	<u>Email Address</u>
Lindsay Hall, Chief Administrative Officer of Single Family Programs	615-815-2080	lhall@thda.org
Rhonda Ronnow, Director of Loan Operations, Single Family Programs	615-815-2111	rronnow@thda.org
Nancy Herndon, Assistant to Director of Loan Operations	615-815-2101	nherndon@thda.org
Rhonda Ellis, Mortgage Loan Specialist, Processing	615-815-2103	rellis@thda.org
Terry Benier, Mortgage Loan Specialist, MCC Program	615-815-2048	tbenier@thda.org
Langston Glass, Program Development Coordinator	615-815-2101	lglass@thda.org
Sarah Sisler, Mortgage Underwriting Manager	615-815-2073	ssisler@thda.org
Pam Norris, Underwriter	615-815-2087	pnorris@thda.org
Tammy Walker, Underwriter	615-815-2091	twalker@thda.org
Lynne Walls, Underwriter	615-815-2089	lwalls@thda.org
Sandy Kist, Underwriter	615-815-2092	skist@thda.org
Chuck Pickering, Closing Manager	615-815-2086	cpickering@thda.org
Caroline Rhodes, Mortgage Loan Specialist, Closing	615-815-2098	crhodes@thda.org
Debbie Couch, Mortgage Loan Specialist, Closing	615-815-2096	dcouch@thda.org
Nick Lee, Mortgage Loan Specialist, Closing	615-815-2083	nlee@thda.org
Justin Hodge, Mortgage Loan Specialist, Closing	615-815-2084	jhodge@thda.org
Jayna Johnson, Homebuyer Education Manager	615-815-2019	jjohnson@thda.org
Donna Neal, Homebuyer Education Coordinator	615-815-2085	dneal@thda.org
Jillian Ford, Homebuyer Education Specialist	615-815-2228	jford@thda.org
Josh McKinney, HUD Housing Education Counseling Coordinator-East TN	615-815-2137	jmckinney@thda.org
Kendra Love, HUD Housing Education Counseling Coordinator-West TN	615-815-2138	klove@thda.org
Debbie Reeves, Real Estate Industry Advisor	626-815-2152	dreeves@thda.org
Darrell Robertson, Mortgage Industry Advisor	615-815-2077	drobertson@thda.org
Toumie Parrot, Customer Account Manager Middle Tennessee	615-815-2122	tparrot@thda.org
Lydia Smith, Customer Account Manager West Tennessee	615-815-2095	lsmith@thda.org
Rebekah Bicknell, Customer Account Manager East Tennessee	615-815-2121	rbicknell@thda.org

## **SECTION 6: SUBMITTING AN APPLICATION FILE TO THDA**

### **6.1 OVERVIEW**

Originating Agents must present accurate and complete information with each application file. Information withheld or misrepresented may void a Commitment or if discovered subsequent to loan closing, could result in a requirement for repurchase of the loan. Should the Originating Agent become aware prior to closing that either the household composition first proposed, and/or the household income first proposed has changed or will change prior to closing, THDA must be notified immediately and updated loan documentation must be submitted.

The application file as submitted to THDA, must have all documentation being submitted in the order shown on the THDA Underwriting Submission Checklist.

### **6.2 REQUIRED DOCUMENTS**

#### **A. Underwriting Submission Checklist**

Include this form with each application file submitted to THDA for underwriting. See Section 9. If the borrower(s) is applying for the Great Choice Plus loan in conjunction with their application for a Great Choice loan, both blocks under Program Type must be checked.

#### **B. Buyer Profile**

A completed Buyer Profile must be included in the application file when submitted for THDA underwriting. See Section 9 for instructions.

#### **C. Application Affidavit**

The original executed and notarized Application Affidavit must be uploaded as part of the loan submission package. The Application Affidavit must be signed by each loan applicant. Married applicants must both sign the Application Affidavit and meet first-time homebuyer eligibility requirements, even if a non-qualifying applicant or spouse is involved.

#### **D. Veteran Exemption Application Affidavit**

The original executed and notarized Veteran Exemption Application Affidavit must be received as part of the loan submission package if the veteran is applying under the exception to the three year requirement. Married veteran applicants must both sign the Veteran Exemption Application Affidavit and the veteran's spouse does not have to meet the three year requirement.

#### **E. Seller Affidavit**

The seller of the property must execute a Seller Affidavit for each application file submitted to THDA. The original Seller Affidavit must be retained by the lender. See Section 9 for additional information.

## **F. Tax Returns**

Copies of signed and dated Federal Income Tax Returns, including W-2's, for the most recent tax year for the Applicant(s) and/or any non-qualifying spouse must be included in the initial application file. A Federal Income Tax Return also must be included in the initial application file for any household member 18 years or older who is required to file a Federal Income Tax Return.

If an Applicant or other household member 18 years of age or older cannot provide a copy of their most recent Federal Income Tax Return, they must obtain an IRS Tax Transcript or IRS Letter 1722, which are available from the IRS office where the tax return was filed. The Tax Transcript must be signed and dated by the tax payer. Transcripts may be ordered by using IRS Form 4506. If an Applicant or household member was not required to file a Federal Income Tax Return, provide a signed and dated statement specifying why they were not required to file.

THDA, at its sole discretion, may require the most recent three years Federal Income Tax Returns if there is any indication in the loan file of prior homeownership.

## **G. Notice To Applicants Federal Recapture Requirements**

This THDA disclosure is required for all loan types and must be signed at the time of application. Include the signed original in the application file. Furnish the Applicant a copy of the signed original.

## **H. Grants/Downpayment Assistance Approval Letters**

If the Applicant expects to receive a grant or downpayment assistance from an entity other than THDA to facilitate the purchase of the property, include an approval/award letter from the granting organization indicating the type of assistance and the approved amount in the application file. The granting entity must be approved by the insured or guarantors and meet all the guidelines.

## **I. Transmittal Summary (Conventional and USDA/RD)**

Include a Transmittal Summary with each conventional and USDA/RD application. This form is considered as the Originating Agent's underwriting approval and must be signed and dated by the underwriter.

## **J. Insurance/Guaranty Approval**

Based on the applicable loan type, include a copy of one of the following, accompanied by a copy of its condition sheet (if approved with conditions):

1. FHA/Mortgage Credit Analysis Worksheet signed and dated by a DE Underwriter if manually underwritten. If using LP or DU automated underwriting systems and states an Accept/Approve, then an underwriter's signature is not required. CHUMS number must be ZFHA; or
2. VA (or VA Automatic) approval signed and dated by VA or the Originating Agent's Automatic underwriter; or
3. Executed USDA/RD 1980-18.

**K.      Loan Application (1003)**

Include the initial 1003, signed and dated by the Applicant(s) and the loan officer and final 1003. Three years of residency must be stated on the 1003.

**L.      Positive Identification**

For all loan types, positive identification of each Applicant must be obtained in accordance with insurer or guarantor guidelines. It is the Originating Agents responsibility to insure that those guidelines are met.

**M.      Credit Report**

The original credit report must be included in the application file unless it is required to be submitted to the insurer or guarantor. The Applicant's credit report must comply with the program insurer's minimum acceptable credit verification guidelines. Merged credit reports that comply with program guidelines are acceptable.

**N.      Final Divorce Decree/Marital Dissolution; Court Ordered Child Support; SSI or Other Assistance**

Include copies of any or all of these documents, as applicable. Parenting plan may be used to determine the accuracy of household composition.

**O.      Verification of Employment; Most Recent Pay Stub; Form Evidencing Telephone Verification of Prior Employment; Self-Employment**

See Sections 5.3 and 5.4.

**P.      Documentation for Veteran Exemption**

VA Form DD-214 if applicant is a discharged or released veteran. VA Form DD-4 if applicant has re-enlisted, but was eligible for a discharge or release at the time of re-enlistment.

**Q.      Original Certificate of Title or Original Manufactured Certificate of Origin (Manufactured Home)**

The **original** Certificate of Title with any lien noted thereon having been marked released, or **original** Manufactured Certificate of Origin ("MCO") in the name of the seller of the subject property or having been endorsed to the seller **MUST** be included in the Underwriting Submission package. The file may be submitted electronically, however, a commitment will not be issued until THDA receives the **original** Certificate of Title or **original** "MCO".

The only exception to this requirement is, if the seller of the subject property has a mortgage on the property and the lien holder is in possession of the title or MCO and will not release it until their loan is paid off. Under this scenario, a copy of the Certificate of Title or MCO must be included in the Underwriting Submission package and the commitment will be conditioned to receive the **original** Certificate of Title or MCO with the Closed Loan package. However, THDA will not purchase the loan until we receive the **original** Certificate of Title or **original** MCO.

**R.      Verification of Deposit or Bank Statements for Previous Two Months**

See Sections 5.3.

**S. Sales Contract**

Include a copy of the purchase agreement (fully executed by seller and Applicant) in the application file. Any changes to the purchase agreement must be initialed by seller and Applicant.

**T. FHA Conditional Commitment**

Enclose the HUD Form 92800.5B (FHA Conditional Commitment) and the Appraisal Analysis Sheet, both signed by the DE Underwriter.

**U. Appraisal**

Enclose an original Uniform Residential Appraisal Report (FMNA 1004) in the application file. The Uniform Residential Appraisal Report must reflect inspections of both the interior and exterior of the dwelling. If the original Appraisal must be submitted to the loan insurer or guarantor, a legible copy must be enclosed.

If the negotiated sales price for the property was modified after the Appraisal was provided, enclose a letter from the appraiser that indicates any changes in the appraiser's conclusions.

**V. Flood Notification**

If the property lies within a Special Flood Hazard Zone, the Originating Agent must make proper and timely disclosure to the Applicant in compliance with federal regulations. Provide a life of loan Flood Hazard certification with the initial underwriting submission package or closed loan documents.

**W. Loan Estimate**

The initial Loan Estimate (LE) must be included in the Underwriting Submission Package and any subsequent changes in the LE, if necessary, must be included in the Closed Loan Submission Package. Great Choice Plus mortgage loan applications should reflect a \$50 credit from THDA to the borrower, representing the grant THDA is providing the borrower to cover a large portion of the recording fees for the second mortgage loan Deed of Trust.

**X. Good Faith Estimate**

A Good Faith Estimate (GFE) must be provided for the second mortgage loan. Recording fees are the only allowable fees.

**Y. Title Commitment**

Title commitment must be provided to determine if borrowers have any tax liens. Title searches must include public record information.

**6.3 DOCUMENTING NEW CONSTRUCTION FOR CUSTOM BUILT HOMES**

**NOTE:** *This section does not apply to the purchase of a new or proposed residence located on a lot that is not owned by the Applicant prior to the date of the loan closing; new construction is not allowed on HHF-DPA program..*

**A. Documentation Required**

1. Copy of Warranty Deed to lot.
2. Copy of construction contract.
3. Contractor's detailed cost estimate, if applicable.
4. Contractor's final itemized bill, if applicable.
5. Final inspection with photos, when complete.

**B. Manufactured Housing**

For manufactured housing, additional or substituted documentation must include a contract for the manufactured home and documentation for the cost of foundation, utilities, landscaping, driveways and all other necessary improvements.

## **SECTION 9: THDA FORMS AND INSTRUCTIONS**

As a result of Tax Code requirements, THDA must require certain forms. Application files or closed loan packages that do not contain fully executed THDA forms, as required, will not be accepted by THDA. These forms must be included in THDA application files and in THDA closed loan packages as indicated in this Guide. THDA forms are in addition to the typical forms utilized in the mortgage industry. These forms are to be considered part of this Guide.

THDA forms may not be altered.

THDA forms may not be distributed to a lender who is not an Originating Agent or to any other unauthorized individual or entity.

Detailed instructions for completion of each THDA form follows in the order that they are typically encountered in the lending process:

- Application Affidavit HO-0450 (03/11)
- Veteran Exemption Application Affidavit HO-0460 (02/07)
- Notice to Applicants Federal Recapture Requirements HO-0448 (07/17)
- Seller Affidavit HO-0451 (09/99)
- Buyer Profile HO-0439 (02/15)
- Underwriting Submission Checklist HO-0549 (07/17)
- Affidavit of Affixation HO-0453 (12/06)
- Legally Enforceable Obligation Letter HO-0476
- Closed Loan Submission Checklist HO-0541 (07/17)
- THDA Rider HO-0440 (08/03)
- Request for Loan Purchase with Acknowledgement and Certification HO-0444 (10/14)
- Good Faith Estimate for Second Mortgage HO-0575 (07/17)
- Disclosure of Loan Terms for Great Choice Plus Second Mortgage Loan HO-0574 (02/17)
- Disclosure of Loan Terms for HHF-DPA HO-0574-HHF (07/17)
- Good Faith Estimate for HHF-DPA HO-0575-HHF (07/17)
- Program Certification for HHF-DPA HO-0580-HHF (03/17)

### **APPLICATION AFFIDAVIT HO-0450 (03/11)**

### **VETERAN EXEMPTION APPLICATION AFFIDAVIT HO-0460 (02/07) (If Applicable)**

The Application Affidavit or Veteran Exemption Application Affidavit (if applicable Application Affidavit) must be executed by each applicant and non-qualifying spouse. The household income figure to be provided in item #4 is the maximum allowable income for the size of the applicant's household and location of property. The acquisition cost figure for Great Choice is to be provided in item #5 is the maximum THDA acquisition cost for the county in which the property is located. The original Application Affidavit or Veteran Exemption Application Affidavit is required by THDA. All changes or whiteouts must be initialed by the Applicant(s).

Each Application Affidavit or Veteran Exemption Application Affidavit, must be executed and notarized within the State of Tennessee; however, in rare circumstances, an Application Affidavit or Veteran Exemption Application Affidavit may be executed and notarized outside the State of Tennessee, such as when a person is a member of the armed forces, is stationed outside the state and is unable to be present while the application is being processed.



## **NOTICE TO APPLICANTS FEDERAL RECAPTURE REQUIREMENTS HO-0448 (07/17)**

This form is mandatory for all THDA loan applications. The Applicant and all Co-Applicants must sign and date the form at the time of application. Provide a copy to the Applicant. Enclose the original signed and dated form in the application file when submitted for THDA underwriting.

## **SELLER AFFIDAVIT HO-0451 (09/99)**

The seller of the property must complete a Seller Affidavit for each application file submitted to THDA. The Seller Affidavit is to assist in determining whether the purchase of the property involves more than the purchase price specified in the sales contract.

The seller must sign and date the Seller Affidavit, and it must be notarized. Enclose the original Seller Affidavit in the application file when submitting for THDA underwriting. In the absence of the original Affidavit at the time of loan approval, a prior to closing contingency will be THDA receipt of the original.

## **BUYER PROFILE HO-0439 (02/15)**

This form is critical to facilitate accurate reports by THDA. Complete this form accurately and completely and enclose it with the application file when submitted for THDA underwriting.

## **UNDERWRITING SUBMISSION CHECKLIST HO-0549 (07/17)**

Use this form as a cover sheet for all application files submitted to THDA.

Follow the checklist closely and complete all information. Items omitted may cause the application file to be returned for completion and resubmission. Do not change the size of this form.

The checklist has five main sections:

1. General Information.
2. THDA Program Eligibility. Must include original documents, notarized as indicated.
3. Great Choice Plus Loans/Downpayment/Closing Cost Assistance. Must be documented as indicated, if applicable.
4. Credit Package. Must include documentation, as indicated.

Originating Agent Information: Provide complete information, including the Originating Agent's four-digit O. A. Number as assigned by THDA. An omitted or incorrect Originating Agent number and omitted or incorrect branch address are the primary causes of misdirected commitments and misdirected funding checks.

Primary Applicant: Include primary Applicant's name as it will appear on all documents. It must be accurate and consistent.

Property Address: Must be accurate and consistent on all documents.

Submission Purpose: As indicated, this form may be used for purposes in addition to the initial submission of an application file.

Program Type: Indicate the desired THDA loan program.

Loan Type: Indicate whether the loan type is FHA, VA, Conventional or USDA/RD.

Property Type: Indicate the correct property type. Check the appropriate block to indicate a residence that is a single family detached or a condominium. Check "Other" and indicate in the blank

provided if the residence is a 2, 3 or 4 family home, or is a PUD, townhouse, zero lot line, modular or manufactured home.

#### THDA Program Eligibility/Credit Package

A check mark, an “X” or “N/A” must be indicated for each document listed on the form. Refer to Section 6.2 for additional information.

An Originating Agent staff member’s signature, printed or typed name and telephone number must appear at the bottom of the checklist. Without this information, the file is considered incomplete. In addition, if this information is omitted, THDA does not know who to call if questions arise.

#### **AFFIDAVIT OF AFFIXATION HO-0453 (12/06)**

An original Affidavit of Affixation is required on all manufactured home loans and must be recorded as a separate document. It cannot be recorded with or attached to the Deed of Trust for recordation.

#### **LEGALLY ENFORCEABLE OBLIGATION LETTER HO-0476**

For any Great Choice loans insured by FHA/HUD the Originating Agent will receive a Legally Enforceable Obligation Letter (LEOL) attached to the THDA Loan Commitment. HUD/FHA requires that THDA provide a Legally Enforceable Obligation Letter when THDA has agreed to provide DPA funds in the form of the Great Choice Plus loan. The Borrower(s) is to sign the LEOL at closing and a copy of the executed LEOL must be sent back to THDA with the initial closing submission package in order for THDA to purchase the Great choice Plus loan.

The Originating Agent is to retain the original LEOL in their loan file to accompany the FHA insurance application associated with the first mortgage.

#### **CLOSED LOAN SUBMISSION CHECKLIST HO-0541 (07.17)**

Use this form when submitting all closed loan files to THDA, regardless of the source of funding. This form can also be used as a checklist for submission of follow-up documentation. Complete all items on this form. Do not change the size of this form.

#### **THDA RIDER HO-0440 (08/03)**

The THDA Rider must be completed, executed, attached to and recorded with the deed of trust for all THDA first mortgage loans, regardless of loan type. The THDA Rider must be signed by all Borrowers who are required to sign the first deed of trust and recorded with the deed of trust.

#### **REQUEST FOR LOAN PURCHASE WITH ACKNOWLEDGEMENT AND CERTIFICATION HO-0444 (10/14)**

All loans closed by the Purchase Method must be accompanied by an executed Request For Loan Purchase with Acknowledgement and Certification when delivered to THDA. By submitting a loan file for purchase by THDA, each Originating Agent is deemed to affirm the Acknowledgement and Certification appearing on the master form of the Request For Loan Purchase with Acknowledgement and Certification with respect to each loan file submitted regardless of whether the Acknowledgement and Certification is included with the form submitted with a particular loan file.

*Provide all information indicated. Check the appropriate box indicating whether the loan file is complete in all respects or not. Sign and date where indicated, print name and title, and provide telephone number. Omitted information may cause the loan file to be returned to the Originating Agent.*

**GOOD FAITH ESTIMATE FOR SECOND MORTGAGE HO-0575 (07.17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**DISCLOSURE OF LOAN TERMS FOR GREAT CHOICE PLUS SECOND MORTGAGE LOAN HO-0574 (03/03/17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**DISCLOSURE OF LOAN TERMS FOR HHF-DPA HO-0574-HHF (07.17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**GOOD FAITH ESTIMATE FOR HHF-DPA HO-0575-HHF (07/17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**PROGRAM CERTIFICATION FOR HHF-DPA HO-0580-HHF (03/17)**

This disclosure is required by the Department of Treasury on all HHF-DPA loans.

**Tennessee Housing Development Agency (THDA)**  
***Notice to Applicants***  
**FEDERAL RECAPTURE TAX REQUIREMENTS**

IMPORTANT INFORMATION

APPLICATION DISCLOSURE

PLEASE READ

(to be provided to the Applicant at time of application)

As a result of a law passed by Congress in 1988, you may, under certain circumstances, be subject to a recapture tax designed to recover some amount of the subsidy reflected in your below market interest rate. This notice contains a brief description of this recapture tax and how it may affect you. THDA recommends, however, that you consult a tax advisor if you have questions about the recapture tax and that you consult a tax advisor at the time you sell or otherwise dispose of your home financed with a THDA loan.

There is no recapture tax if you own your home for more than nine years from the date you close your THDA loan. If you do sell or otherwise dispose of your home within nine years from the date you close your THDA loan, you are subject to the recapture tax and must determine whether you need to pay recapture tax to the federal government.

Several factors determine whether you must pay any recapture tax. These factors include your original loan amount, the length of time you own your home financed with the THDA loan, your income and family size at the time of sale, and the gain that you realize on the sale of your home. Since your income and family size may change during the time you own your home and since gain cannot be determined until an actual sale occurs, there is no way to predict whether you will have to pay recapture tax. Regardless of these factors, any recapture tax you may have to pay is limited to the lesser of (i) your original THDA loan amount times 6.25 or (ii) half of the actual gain from the sale or other disposition of your home financed with the THDA loan.

If you sell your home to a buyer eligible to assume the THDA loan, you must still determine whether you owe recapture tax. The buyer is also subject to the recapture tax for nine years beginning on the date your sale to the buyer is closed.

The recapture tax applies to any disposition of your home financed with the THDA loan, whether by sale, exchange, involuntary conversion, or any other transfer of any interest. If you refinance your THDA loan (without selling your home), no recapture tax is due at the time of refinancing, however, you may still owe recapture tax if you sell your house after the refinancing and the sale occurs within nine years from the date you closed your THDA loan.

If your home is damaged or destroyed by fire, storm, or other casualty, you may not owe recapture tax, if within two years, you rebuild your principle residence on the same site. Generally, you may not owe recapture tax if you transfer your home to a spouse, or a former spouse as a result of a divorce, or if your home is transferred as a result of your death.

The undersigned acknowledges that I/we have read and understand the above disclosure.

Applicant: \_\_\_\_\_

Date: \_\_\_\_\_

Applicant: \_\_\_\_\_

Date: \_\_\_\_\_

**Tennessee Housing Development Agency (THDA)**  
**Closed Loan Submission Checklist**

OA Name: _____	THDA Loan #: _____
Contact Person: _____	Primary Borrower: _____
Phone: (_____) _____	Date Loan Closed: _____

Please upload package to: **OLS.THDA.ORG**

In each space below, check items enclosed, or enter “**TF**” (to follow), or “**NA**” (not applicable). Assemble package in order listed. All items except those with an asterisk must be in package at initial delivery (which must be within 10 days of the date loan closed). All items must be complete, fully executed, dated and notarized, if required, all as indicated in each document and the Originating Agents’ Guide.

- \_\_\_\_\_ Evidence of wire for initial escrow deposit to THDA
- \_\_\_\_\_ Request for Loan Purchase with Acknowledgement and Certification
- \_\_\_\_\_ Power of Attorney, if applicable
- \_\_\_\_\_ Initial Escrow Account Disclosure
- \_\_\_\_\_ Executed Enforceable Obligation Letter (FHA only)
- \_\_\_\_\_ Original Note, endorsed to THDA
- \_\_\_\_\_ Original Second Mortgage Note
- \_\_\_\_\_ \*Recorded Deed of Trust and Riders, if applicable; copy of unrecorded with closing package
- \_\_\_\_\_ Recorded second mortgage deed of trust, if applicable; copy of unrecorded with closing package
- \_\_\_\_\_ \*Recorded Affidavit of Affixation (Manufactured Homes)
- \_\_\_\_\_ \*Recorded Assignment from OA to THDA (n/a if MERS documents submitted) if applicable
- \_\_\_\_\_ \*Title Insurance Policy with THDA named as insured
- \_\_\_\_\_ Executed Warranty Deed (Certified copy of recorded Warranty Deed if Manufactured Home)
- \_\_\_\_\_ Signed Closing Disclosure
- \_\_\_\_\_ THDA Settlement Statement (HUD-1) for second mortgage
- \_\_\_\_\_ Revised Loan Estimate (if applicable)
- \_\_\_\_\_ Final executed 1003
- \_\_\_\_\_ Hazard Insurance policy declarations page or Certificate of Insurance with THDA as named insured, maximum deductible of \$2500
- \_\_\_\_\_ Life of Loan Flood Hazard Determination
- \_\_\_\_\_ Notice to Borrower in Special Flood Hazard Area, if applicable
- \_\_\_\_\_ Flood Insurance Application with THDA as named insured and copy of premium check (if applicable)
- \_\_\_\_\_ Address Certification (if applicable)
- \_\_\_\_\_ Name Affidavit (if applicable)
- \_\_\_\_\_ Copy of clear Termite Letter or soil treatment certificate (if applicable)
- \_\_\_\_\_ Escrow Agreement for Repairs or Completion of Construction (if applicable)
- \_\_\_\_\_ THDA Commitment conditions satisfied
- \_\_\_\_\_ IRS Form 4506
- \_\_\_\_\_ Final inspection, if applicable
- \_\_\_\_\_ Hello/Goodbye letter – Notice of Transfer of Servicing
- \_\_\_\_\_ \*Copy of MIC/LGC/Original RECD 1980-17, **OR** as applicable:
  - \_\_\_\_\_ *Lender query from FHA connection reflecting THDA as the holder*
  - \_\_\_\_\_ Copy of completed USDA/RD 1980-11 and 1980-18 (conditional commitment)
- \_\_\_\_\_ **PRIOR TO PURCHASE** -- Original Certificate of Title or Original Manufactured Certificate of Origin (Manufactured Home) if not included in Underwriting Submission Package

**FINAL MANDATORY DELIVERY DATE FOR ALL ITEMS:**

Closing date + 120 days = \_\_\_\_\_, \_\_\_\_.

**Tennessee Housing Development Agency (THDA)  
Underwriting Submission Checklist**

OA Number: \_\_\_\_\_

Primary Applicant: \_\_\_\_\_

OA Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

OA Address: \_\_\_\_\_

Applicant's Email: \_\_\_\_\_

**Program Type:**

- ☐ Great Choice-1<sup>st</sup> Mortgage  
☐ Great Choice Plus-2<sup>nd</sup> Mortgage  
☐ Homeownership for the Brave  
☐ HHF DPA

**DU/LP Recommendation**

- ☐ Approve/Eligible  
☐ Refer/Eligible  
☐ Manual No Score

**Loan Type:**

- ☐ FHA  
☐ VA  
☐ USDA/RD  
☐ Conventional

**Property Type:**

- ☐ Single Family Detached  
☐ Condo  
☐ Manufactured Home  
☐ Other

PLEASE ASSEMBLE PACKAGE IN ORDER LISTED BELOW

**THDA PROGRAM ELIGIBILITY**

- ☐ 1. Buyer Profile
- ☐ 2. Original Application Affidavit(s), Veteran Exemption Application Affidavit
- ☐ 3. Original Seller Affidavit (notarized)
- ☐ 4. Notice to Applicants Federal Recapture Requirements (signed copy)
- ☐ 5. Homebuyer Education Certification, HHF-DPA Combo Certificate
- ☐ 6. Disclosure of Loan Terms for Great Choice Plus second mortgage (if applicable)
- ☐ 7. Disclosure of Loan Terms for HHF-DPA second mortgage (if applicable)
- ☐ 8. HHF-DPA Program Certification (if applicable)
- ☐ 9. Initial Good Faith Estimate for Great Choice Plus mortgage loan or HHF-DPA mortgage loan

**CREDIT PACKAGE**

- ☐ 10. FHA Loan Underwriting and Transmittal Summary with condition sheet, **AND** Form 92900A p3, signed by DE Underwriter and DU or LP findings
- ☐ 11. USDA/RHS #3555-18
- ☐ 12. Typed Transmittal Summary (1008) signed by underwriter with DU or LP findings within 90 days of AUS or run date
- ☐ 13. VA/Loan Analysis Worksheet Approval OR VA Certificate of Commitment/DD-214 or DD-4 (if applicable)
- ☐ 14. Initial Loan Estimate
- ☐ 15. Final Loan Application (Typed URLA) 1003 (3 year residency should be stated)
- ☐ 16. Initial Interviewer's Signed Loan Application 1003 (3 year residency should be stated)
- ☐ 17. Credit Report and credit explanation letters (if applicable)
- ☐ 18. Final Divorce Decree/Marital Dissolution (if applicable)
- ☐ 19. Verification of Court Ordered Child Support/Parenting Plan
- ☐ 20. Verification of SSI or Other Assistance
- ☐ 21. Verifications of Employment (verbal is unacceptable)
- ☐ 22. Most Recent Pay Stub (within past 30 days)
- ☐ 23. Signed and Dated Tax Returns with all schedules and W-2s for the most recent tax year including non-qualifying spouse
- ☐ 24. IRS Non-Filing Confirmation for most recent tax year including non-qualifying spouse
- ☐ 25. Verifications of Prior Employment (telephone verification is acceptable)
- ☐ 26. Self-Employment Cash Flow Worksheet, P & L, 2 years Business Tax Returns (corp. or partnership or sole prop.)
- ☐ 27. Verification of Deposit OR Borrower's Bank Statements for the previous two months
- ☐ 28. Gift Letter
- ☐ 29. Sales Contract and Addendum (Copy)
- ☐ 30. Title Commitment
- ☐ 31. Appraisal Report (URAR) and Condition Sheet with VC Sheet/USDA-RD Conditions, and executed conditional commitment (928005.b), VA CRV
- ☐ 32. Final Inspection and Legible Photos of Subject Property (front, rear, street) and Photos or Photocopies of comparable sales
- ☐ 33. Flood Notification (if applicable, signed by Applicant or certified date mailed to Applicant) (Copy)
- ☐ 34. Grant/Down payment assistance approval letters
- ☐ 35. Original Certificate of Title or Original Manufactured Certificate of Origin (Mobile/Manufactured Homes)
- ☐ 36. FHA 203(h) Proof of permanent residence (if applicable)
- ☐ 37. FHA 203(h) Proof of destruction of residence (if applicable)

**THDA RESERVES THE RIGHT TO REQUEST ADDITIONAL DOCUMENTATION TO EVALUATE THIS LOAN APPLICATION.**

The undersigned, an authorized representative of the OA referenced above, hereby certifies and warrants as follows: (i) the information accompanying this submission has been verified and corroborated as required by THDA; (ii) all requirements of applicable federal and/or state law have been met, including, without limitation, all disclosures and requirements in the Federal Reserve Board "Rule" and the Dodd-Frank Act; (iii) the Applicant referenced above and the property proposed for purchase by the Applicant meet all applicable THDA mortgage loan eligibility and program guidelines; and (iv) to the extent this submission is electronic, all documents and affidavits required to be originals or with original signature were obtained.

\_\_\_\_\_  
Originating Agent Authorized Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date

Phone No. (\_\_\_\_) \_\_\_\_\_

Fax No. (\_\_\_\_) \_\_\_\_\_

Email address \_\_\_\_\_

\_\_\_\_\_  
Loan Originator Name

\_\_\_\_\_  
Loan Originator Email

**Tennessee Housing Development Agency (THDA)**  
**Disclosure of Loan Terms**  
**Great Choice Plus Second Mortgage Loan**

I acknowledge that I am applying for assistance from Tennessee Housing Development Agency (THDA) in the form of a second mortgage loan through the Great Choice Plus, to utilize for down payment and/ or closing costs assistance under the terms of the Great Choice Plus Program.

This disclosure form is required to be presented to me by the lender before settlement and/ or closing of the mortgage when a Loan Estimate (LE) on the second mortgage loan is not provided.

As a Borrower under this program, I understand that the Great Choice Plus second mortgage loan has the following terms and conditions as explained by my originating lender:

- We request a Great Choice Plus mortgage loan in the amount of \$\_\_\_\_\_ (no more than 5% of the Purchase Price)
- The term of the Great Choice Plus second mortgage loan is 30 years, forgiven at the end of the term of the Great Choice first mortgage.
- The interest rate is 0% and is non-amortizing, therefore having no required monthly payment.
- There are no costs or fees charged by THDA and the APR will be 0%.
- A Good Faith Estimate (GFE) is required for the Great Choice Plus second mortgage loan.
- The Great Choice Plus second mortgage loan is required to be repaid upon sale of the property or refinance of my Great Choice first mortgage loan.
- If I have any questions about the Great Choice Plus Second Mortgage Loan I am encouraged to ask my lender or contact THDA for additional information at [SFask@thda.org](mailto:SFask@thda.org) or 1-615-815-2100.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

**Lender**

In connection with this application for a Great Choice Plus loan, I, the undersigned duly authorized representative of \_\_\_\_\_ (the Lender), certify as follows:

- a. The scheduled loan closing date is \_\_\_\_\_, 20\_\_\_\_.
- b. The borrower(s) will not receive any cash at closing as a result of, or from, proceeds from the Great Choice Plus loan. Any "Net Funds to Borrower" at closing will be those allowable by THDA guidelines. (Originating Agent Guide, Section 7.5 D).

\_\_\_\_\_  
Lender

\_\_\_\_\_  
Date

**Tennessee Housing Development Agency  
Disclosure of Loan Terms  
Hardest Hit Fund Down Payment Assistance Loan Program**

I, the undersigned borrower ("Borrower(s)"), acknowledge that I am applying for assistance from Tennessee Housing Development Agency ("THDA") under THDA's Hardest Hit Fund Down Payment Assistance Loan Program ("HHF DPA Loan Program") in the form of a second mortgage loan ("HHF DPA Loan"), to utilize for down payment and/ or closing costs assistance.

This disclosure form is required to be presented to me by the lender handling this HHF DPA Loan for me ("my Lender") before settlement and/or closing of the HHF DPA Loan.

As a Borrower under the HHF DPA Loan Program, I understand that the HHF DPA Loan has the following terms and conditions and certify that each of the following terms and conditions were explained to me by the my Lender at a time prior to the closing of the HHF DPA Loan:

- I understand and consent to the disclosure of my personal information and information about the terms and status of my HHF DPA Loan to the U.S. Department of the Treasury.
- An HHF DPA Loan is only available in connection with a THDA Great Choice Loan.
- The amount of the HHF DPA Loan is \$15,000; the term is 10 years.
- The outstanding principal balance is forgiven at the rate of 20% per year in years 6-10 of the term.
- The interest rate is 0% and is non-amortizing, therefore no monthly payments are required.
- There are no costs or fees charged by THDA and the APR will be 0%.
- I have received a Good Faith Estimate in connection with the HHF DPA Loan. The HHF DPA Loan is secured by the same property that secures the Great Choice Loan and will be recorded in second position behind only the deed of trust for the Great Choice Loan and any encumbrances permitted in connection with the Great Choice Loan.
- A default under the Great Choice Loan I am obtaining in connection with this HHF DPA Loan is also a default under this HHF DPA Loan and, in connection with such default, the terms described herein may no longer apply.
- The HHF DPA Loan is due upon the sale of the property securing the Great Choice Loan and the HHF DPA Loan or upon the refinance of the Great Choice Loan.
- The HHF DPA Loan cannot be assigned or assumed.
- The property I am acquiring with the Great Choice Loan and the HHF DPA Loan is an existing housing unit and is not new construction.
- If I have any questions about the HHF DPA Loan I am encouraged to ask my Lender or contact THDA for additional information at [SFask@thda.org](mailto:SFask@thda.org) or 1-615-815-2100.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

**Lender**

In connection with this application for a HHF DPA Loan, I, the undersigned duly authorized representative of the Lender referenced in this Certification, certify as follows:

The Borrower(s) will not receive any cash at closing as a result of, or from, proceeds from the HHF DPA Loan. Any "Net Funds to Borrower" at closing will be only those allowed under the THDA Originating Agent Guide, Section 7.5 D.

\_\_\_\_\_  
Lender

\_\_\_\_\_  
Date



**SUBSTITUTE GFE FORM FOR THDA SUBORDINATES**

## Second Mortgage Good Faith Estimate Disclosure

## Great Choice Plus Mortgage Loan

Name of Applicant(s): \_\_\_\_\_  
\_\_\_\_\_

Application/Loan No: \_\_\_\_\_

Date Prepared: \_\_\_\_\_

Property Address: \_\_\_\_\_  
\_\_\_\_\_Prepared by: **TENNESSEE HOUSING DEVELOPMENT AGENCY**

502 Deaderick St., Third Floor

Nashville, TN 37243

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimated – actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

**Total Loan Amount: \$****Interest Rate: 0%****Term: 360 months****800 ITEMS PAYABLE IN CONNECTION WITH LOAN:**

801	Loan Origination Fee	\$
802	Loan Discount	
803	Appraisal Fee	
804	Credit Report	
805	Lender's Inspection Fee	
808	Mortgage Broker Fee	
809	Tax Related Service Fee	
810	Processing Fee	
811	Underwriting Fee	
812	Wire Transfer Fee	

**1100 TITLE CHARGES:**

1101	Closing or Escrow Fee	\$
1105	Document Preparation Fee	
1106	Notary Fees	
1107	Attorney Fees	
1108	Title Insurance	

**1200 GOVERNMENT RECORDING & TRANSFER CHARGES:**

<b>1201</b>	<b>Recording Fees</b>	<b>\$</b>
1202	City/County Stamps	
1203	State Tax Stamps	

**1300 ADDITIONAL SETTLEMENT CHARGES:**

1202	Pest Inspection	\$
<b>1203</b>	<b>THDA Grant</b>	<b>( \$ 50.00 ) paid by THDA</b>
<b>1204</b>	<b>Homebuyer Education</b>	<b>( \$ 150.00 ) POC paid by THDA</b>

<b><i>Estimated Closing Costs:</i></b>	<b>\$</b>
--	-----------

You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.

\_\_\_\_\_  
Applicant Signature\_\_\_\_\_  
Applicant Signature

**SUBSTITUTE GFE FORM FOR THDA SUBORDINATES****Second Mortgage Good Faith Estimate Disclosure****HHF-DPA Mortgage Loan**Name of Applicant(s): \_\_\_\_\_  
\_\_\_\_\_

Application/Loan No: \_\_\_\_\_

Date Prepared: \_\_\_\_\_

Property Address: \_\_\_\_\_  
\_\_\_\_\_Prepared by: **TENNESSEE HOUSING DEVELOPMENT AGENCY**

502 Deaderick St., Third Floor

Nashville, TN 37243

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimated – actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

**Total Loan Amount: \$15,000****Interest Rate: 0%****Term: 120 months****800 ITEMS PAYABLE IN CONNECTION WITH LOAN:**

801	Loan Origination Fee	\$
802	Loan Discount	
803	Appraisal Fee	
804	Credit Report	
805	Lender's Inspection Fee	
808	Mortgage Broker Fee	
809	Tax Related Service Fee	
810	Processing Fee	
811	Underwriting Fee	
812	Wire Transfer Fee	

**1100 TITLE CHARGES:**

1101	Closing or Escrow Fee	\$
1105	Document Preparation Fee	
1106	Notary Fees	
1107	Attorney Fees	
1108	Title Insurance	

**1200 GOVERNMENT RECORDING & TRANSFER CHARGES:**

<b>1201</b>	<b>Recording Fees</b>	<b>\$</b>
1202	City/County Stamps	
1203	State Tax Stamps	

**1300 ADDITIONAL SETTLEMENT CHARGES:**

1302	Pest Inspection	\$
<b>1303</b>	<b>THDA Grant</b>	<b>( \$ 50.00 ) paid by THDA</b>
<b>1304</b>	<b>Homebuyer Education</b>	<b>( \$ 250.00 ) POC paid by THDA</b>

<i>Estimated Closing Costs:</i>	<b>\$</b>
---------------------------------	-----------

You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.

\_\_\_\_\_  
Applicant Signature\_\_\_\_\_  
Applicant Signature

**ORIGINATING AGENTS  
GUIDE REVISION 124**

July 28, 2017

**Remove and discard:**

Page v (Revised 07/20/17) .....	Page v (Revised 07/28/17)
Page 48 (Revised 08/01/15).....	Page 29 (Revised 07/28/17)
Page 49 (Revised 08/01/15).....	Page 30 (Revised 07/28/17)
Page 50 (Revised 03/03/17) .....	Page 50 (Revised 07/28/17)
Page 51 (Revised 03/03/17) .....	Page 51 (Revised 07/28/17)
Page 52 (Revised 03/03/17) .....	Page 52 (Revised 07/28/17)
Page 53 (new) .....	Page 53 (July 28, 2017)

**Replace with enclosed:**

**EFFECT OF CHANGE**

**Effective October 1, 2017**, Volunteer Mortgage Loan Servicing (VMLS) will begin receiving the servicing for newly originated Great Choice Mortgage Loans. This will be a controlled rollout with specified THDA Originating Agents scheduled each month to transfer the servicing of their new THDA loans to VLMS. A new working agreement must be executed by each originating agent prior to the assigned transfer date.

A service release premium (SRP) of 1% will be paid to the Originating Agent when all closing documents are submitted and the loan hits a complete status. THDA will deduct a \$60 tax service fee from the SRP. If wiring instructions for SRP payments differ from loan purchase payments, Originating Agents must deliver wiring instructions to THDA.



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An Originating Agent who fails to repurchase loans upon demand may be suspended from submitting new loan applications to THDA, and THDA may pursue other remedies as specified in the Working Agreement.

#### **B. Repurchase Price**

The amount necessary to repurchase a loan is:

1. The sum of the outstanding principal and interest on the Great Choice loan and the Great Choice Plus loan, if applicable.
2. Monthly escrow adjustment.

In addition, if the Originating Agent is not the THDA Servicer, the repurchase price may include reimbursement of the Service Release Fee to the THDA Servicer and a repurchase fee.

#### **C. Repurchase Procedure**

In the event THDA demands repurchase of a loan, the following procedures all apply:

1. The THDA Servicer will provide instructions for obtaining the repurchase price by a certain deadline.
2. The Originating Agent must prepare an Assignment from THDA to the Originating Agent and submit it to the THDA Servicer, who will forward the Assignment to THDA for execution.
3. The Originating Agent must wire the required repurchase price to the THDA Servicer according to instructions provided by the THDA Servicer.
4. Upon receipt of the repurchase price, THDA will sign and notarize the Assignment and return it to the Originating Agent with the loan file.
5. After repurchase, THDA will reimburse Originating Agent for all principal and interest received by THDA after the repurchase date.

Loans declared ineligible for purchase by THDA, and loans repurchased from THDA, are not eligible for subsequent purchase by THDA.

### **8.6 SERVICING PROCEDURES (Only for Lenders that are serviced by VMLS)**

All loans shall be sold servicing-released to THDA dba Volunteer Mortgage Loan Servicing (VMLS). The lender may not perform any interim servicing. The lender shall sell the loan servicing-released to THDA immediately following closing as specified elsewhere in the Guide.

#### **A. Service Release Premium**

THDA will pay a Service Release Premium (SRP) in an amount equal to 1% of the loan amount on closed loan packages received prior to the first payment due date. THDA will withhold the SRP amount from the purchase price of the loan. THDA will pay the SRP for a loan once all documents as described in section 7 of the O. A. Guide are received from the lender for that loan. The THDA prepared SRP report will be emailed to the lender each week to the most recent email address THDA has in its files for each lender. THDA will wire the SRP each week to the lender using the most recent wiring instructions THDA has in its files for each lender. It is the lender's obligation to ensure that email addresses and wiring instructions are accurate and up to date.

**B. Tax Service Fee**

A \$60 tax service fee must be charged on all loans. It can be paid by the borrower or lender and must be reflected accurately on the Loan Estimate and Closing Disclosure. THDA deducts this amount from the SRP and remits the tax service fee to CoreLogic.

**C. Changing Fees/Compensation**

Compensation and fees may be changed or eliminated at the discretion of THDA.

**D. Tax and Insurance Escrow**

The initial Escrow Account Disclosure statement must be completed accurately to be sure sufficient funds are collected at closing. The lender shall wire the initial escrow deposit to THDA and shall provide email notification to THDA of each wire sent. Email the wiring report to [closing@thda.org](mailto:closing@thda.org) and [payments@thda.org](mailto:payments@thda.org). THDA will allow weekly batched wires.

**E. Volunteer Mortgage Loan Servicing Directory**

VMLS staff is available to answer any question Monday-Friday, 8am-5pm CST.

VMLS Customer Service: 844-865-7378

**ADDRESSES:**

***Physical Address:***

Volunteer Mortgage Loan Servicing  
404 James Robertson Pkwy, Suite 1450  
Nashville, TN 37219-1536

***Payment Address:***

Volunteer Mortgage Loan Servicing  
PO Box 305170  
Nashville, TN 37230-5170

***Email Address:***

[custserv@vol servicing.com](mailto:custserv@vol servicing.com)

**Primary Escalation Contacts for VMLS**

Servicing Managers: Trebia Johns, (615)649-3424  
[tjohns@vol servicing.com](mailto:tjohns@vol servicing.com)

Heather Johnson, (615)649-3420  
[hjohnson@vol servicing.com](mailto:hjohnson@vol servicing.com)

## **SECTION 9: THDA FORMS AND INSTRUCTIONS**

As a result of Tax Code requirements, THDA must require certain forms. Application files or closed loan packages that do not contain fully executed THDA forms, as required, will not be accepted by THDA. These forms must be included in THDA application files and in THDA closed loan packages as indicated in this Guide. THDA forms are in addition to the typical forms utilized in the mortgage industry. These forms are to be considered part of this Guide.

THDA forms may not be altered.

THDA forms may not be distributed to a lender who is not an Originating Agent or to any other unauthorized individual or entity.

Detailed instructions for completion of each THDA form follows in the order that they are typically encountered in the lending process:

- Application Affidavit HO-0450 (03/11)
- Veteran Exemption Application Affidavit HO-0460 (02/07)
- Notice to Applicants Federal Recapture Requirements HO-0448 (07/17)
- Seller Affidavit HO-0451 (09/99)
- Buyer Profile HO-0439 (02/15)
- Underwriting Submission Checklist HO-0549 (07/17)
- Affidavit of Affixation HO-0453 (12/06)
- Legally Enforceable Obligation Letter HO-0476
- Closed Loan Submission Checklist HO-0541 (07/17)
- THDA Rider HO-0440 (08/03)
- Request for Loan Purchase with Acknowledgement and Certification HO-0444 (10/14)
- Good Faith Estimate for Second Mortgage HO-0575 (07/17)
- Disclosure of Loan Terms for Great Choice Plus Second Mortgage Loan HO-0574 (02/17)
- Disclosure of Loan Terms for HHF-DPA HO-0574-HHF (07/17)
- Good Faith Estimate for HHF-DPA HO-0575-HHF (07/17)
- Program Certification for HHF-DPA HO-0580-HHF (03/17)

### **APPLICATION AFFIDAVIT HO-0450 (03/11)**

#### **VETERAN EXEMPTION APPLICATION AFFIDAVIT HO-0460 (02/07) (If Applicable)**

The Application Affidavit or Veteran Exemption Application Affidavit (if applicable Application Affidavit) must be executed by each applicant and non-qualifying spouse. The household income figure to be provided in item #4 is the maximum allowable income for the size of the applicant's household and location of property. The acquisition cost figure for Great Choice is to be provided in item #5 is the maximum THDA acquisition cost for the county in which the property is located. The original Application Affidavit or Veteran Exemption Application Affidavit is required by THDA. All changes or whiteouts must be initialed by the Applicant(s).

Each Application Affidavit or Veteran Exemption Application Affidavit, must be executed and notarized within the State of Tennessee; however, in rare circumstances, an Application Affidavit or Veteran Exemption Application Affidavit may be executed and notarized outside the State of Tennessee, such as when a person is a member of the armed forces, is stationed outside the state and is unable to be present while the application is being processed.

## **NOTICE TO APPLICANTS FEDERAL RECAPTURE REQUIREMENTS HO-0448 (07/17)**

This form is mandatory for all THDA loan applications. The Applicant and all Co-Applicants must sign and date the form at the time of application. Provide a copy to the Applicant. Enclose the original signed and dated form in the application file when submitted for THDA underwriting.

## **SELLER AFFIDAVIT HO-0451 (09/99)**

The seller of the property must complete a Seller Affidavit for each application file submitted to THDA. The Seller Affidavit is to assist in determining whether the purchase of the property involves more than the purchase price specified in the sales contract.

The seller must sign and date the Seller Affidavit, and it must be notarized. Enclose the original Seller Affidavit in the application file when submitting for THDA underwriting. In the absence of the original Affidavit at the time of loan approval, a prior to closing contingency will be THDA receipt of the original.

## **BUYER PROFILE HO-0439 (02/15)**

This form is critical to facilitate accurate reports by THDA. Complete this form accurately and completely and enclose it with the application file when submitted for THDA underwriting.

## **UNDERWRITING SUBMISSION CHECKLIST HO-0549 (07/17)**

Use this form as a cover sheet for all application files submitted to THDA.

Follow the checklist closely and complete all information. Items omitted may cause the application file to be returned for completion and resubmission. Do not change the size of this form.

The checklist has five main sections:

1. General Information.
2. THDA Program Eligibility. Must include original documents, notarized as indicated.
3. Great Choice Plus Loans/Downpayment/Closing Cost Assistance. Must be documented as indicated, if applicable.
4. Credit Package. Must include documentation, as indicated.

Originating Agent Information: Provide complete information, including the Originating Agent's four-digit O. A. Number as assigned by THDA. An omitted or incorrect Originating Agent number and omitted or incorrect branch address are the primary causes of misdirected commitments and misdirected funding checks.

Primary Applicant: Include primary Applicant's name as it will appear on all documents. It must be accurate and consistent.

Property Address: Must be accurate and consistent on all documents.

Submission Purpose: As indicated, this form may be used for purposes in addition to the initial submission of an application file.

Program Type: Indicate the desired THDA loan program.

Loan Type: Indicate whether the loan type is FHA, VA, Conventional or USDA/RD.

Property Type: Indicate the correct property type. Check the appropriate block to indicate a residence that is a single family detached or a condominium. Check "Other" and indicate in the blank



provided if the residence is a 2, 3 or 4 family home, or is a PUD, townhouse, zero lot line, modular or manufactured home.

#### THDA Program Eligibility/Credit Package

A check mark, an “X” or “N/A” must be indicated for each document listed on the form. Refer to Section 6.2 for additional information.

An Originating Agent staff member’s signature, printed or typed name and telephone number must appear at the bottom of the checklist. Without this information, the file is considered incomplete. In addition, if this information is omitted, THDA does not know who to call if questions arise.

#### **AFFIDAVIT OF AFFIXATION HO-0453 (12/06)**

An original Affidavit of Affixation is required on all manufactured home loans and must be recorded as a separate document. It cannot be recorded with or attached to the Deed of Trust for recordation.

#### **LEGALLY ENFORCEABLE OBLIGATION LETTER HO-0476**

For any Great Choice loans insured by FHA/HUD the Originating Agent will receive a Legally Enforceable Obligation Letter (LEOL) attached to the THDA Loan Commitment. HUD/FHA requires that THDA provide a Legally Enforceable Obligation Letter when THDA has agreed to provide DPA funds in the form of the Great Choice Plus loan. The Borrower(s) is to sign the LEOL at closing and a copy of the executed LEOL must be sent back to THDA with the initial closing submission package in order for THDA to purchase the Great choice Plus loan.

The Originating Agent is to retain the original LEOL in their loan file to accompany the FHA insurance application associated with the first mortgage.

#### **CLOSED LOAN SUBMISSION CHECKLIST HO-0541 (07.17)**

Use this form when submitting all closed loan files to THDA, regardless of the source of funding. This form can also be used as a checklist for submission of follow-up documentation. Complete all items on this form. Do not change the size of this form.

#### **THDA RIDER HO-0440 (08/03)**

The THDA Rider must be completed, executed, attached to and recorded with the deed of trust for all THDA first mortgage loans, regardless of loan type. The THDA Rider must be signed by all Borrowers who are required to sign the first deed of trust and recorded with the deed of trust.

#### **REQUEST FOR LOAN PURCHASE WITH ACKNOWLEDGEMENT AND CERTIFICATION HO-0444 (10/14)**

All loans closed by the Purchase Method must be accompanied by an executed Request For Loan Purchase with Acknowledgement and Certification when delivered to THDA. By submitting a loan file for purchase by THDA, each Originating Agent is deemed to affirm the Acknowledgement and Certification appearing on the master form of the Request For Loan Purchase with Acknowledgement and Certification with respect to each loan file submitted regardless of whether the Acknowledgement and Certification is included with the form submitted with a particular loan file.

*Provide all information indicated. Check the appropriate box indicating whether the loan file is complete in all respects or not. Sign and date where indicated, print name and title, and provide telephone number. Omitted information may cause the loan file to be returned to the Originating Agent.*

**GOOD FAITH ESTIMATE FOR SECOND MORTGAGE HO-0575 (07.17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**DISCLOSURE OF LOAN TERMS FOR GREAT CHOICE PLUS SECOND MORTGAGE LOAN HO-0574 (03/03/17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**DISCLOSURE OF LOAN TERMS FOR HHF-DPA HO-0574-HHF (07.17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**GOOD FAITH ESTIMATE FOR HHF-DPA HO-0575-HHF (07/17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**PROGRAM CERTIFICATION FOR HHF-DPA HO-0580-HHF (03/17)**

This disclosure is required by the Department of Treasury on all HHF-DPA loans.

**ORIGINATING AGENTS  
GUIDE REVISION 125**

August 1, 2017

**Remove and discard:**

**Replace with enclosed:**

Page v (Revised 07/28/17) .....	Page v (Revised 07/28/17)
Page 50 (Revised 07/28/17) .....	Page 50 (Revised 07/28/17)
Page 53 (July 28, 2017) .....	Page 53 (Revised 08/01/17)

**Forms**

HHF DPA Third Party Authorization Form (*new*)..... HHF-DPA-1002 (07.17)

Underwriting Submission Checklist

HO-0549 (07.17) .....HO-0549 (08.17)

**EFFECT OF CHANGE**

**Effective immediately**, all applicants applying for the Hardest Hit Fund DPA must sign the Hardest-Hit Fund Down Payment Assistance Third Party Authorization HHF-DPA-1002.



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## **SECTION 9: THDA FORMS AND INSTRUCTIONS**

As a result of Tax Code requirements, THDA must require certain forms. Application files or closed loan packages that do not contain fully executed THDA forms, as required, will not be accepted by THDA. These forms must be included in THDA application files and in THDA closed loan packages as indicated in this Guide. THDA forms are in addition to the typical forms utilized in the mortgage industry. These forms are to be considered part of this Guide.

THDA forms may not be altered.

THDA forms may not be distributed to a lender who is not an Originating Agent or to any other unauthorized individual or entity.

Detailed instructions for completion of each THDA form follows in the order that they are typically encountered in the lending process:

- Application Affidavit HO-0450 (03/11)
- Veteran Exemption Application Affidavit HO-0460 (02/07)
- Notice to Applicants Federal Recapture Requirements HO-0448 (07/17)
- Seller Affidavit HO-0451 (09/99)
- Buyer Profile HO-0439 (02/15)
- Underwriting Submission Checklist HO-0549 (07/17)
- Affidavit of Affixation HO-0453 (12/06)
- Legally Enforceable Obligation Letter HO-0476
- Closed Loan Submission Checklist HO-0541 (07/17)
- THDA Rider HO-0440 (08/03)
- Request for Loan Purchase with Acknowledgement and Certification HO-0444 (10/14)
- Good Faith Estimate for Second Mortgage HO-0575 (07/17)
- Disclosure of Loan Terms for Great Choice Plus Second Mortgage Loan HO-0574 (02/17)
- Disclosure of Loan Terms for HHF-DPA HO-0574-HHF (07/17)
- Good Faith Estimate for HHF-DPA HO-0575-HHF (07/17)
- Program Certification for HHF-DPA HO-0580-HHF (03/17)
- Third Party Authorization for HHF-DPA HHF-DPA-1002 (07/17)

### **APPLICATION AFFIDAVIT HO-0450 (03/11)**

#### **VETERAN EXEMPTION APPLICATION AFFIDAVIT HO-0460 (02/07) (If Applicable)**

The Application Affidavit or Veteran Exemption Application Affidavit (if applicable Application Affidavit must be executed by each applicant and non-qualifying spouse. The household income figure to be provided in item #4 is the maximum allowable income for the size of the applicant's household and location of property. The acquisition cost figure for Great Choice is to be provided in item #5 is the maximum THDA acquisition cost for the county in which the property is located. The original Application Affidavit or Veteran Exemption Application Affidavit is required by THDA. All changes or whiteouts must be initialed by the Applicant(s).

Each Application Affidavit or Veteran Exemption Application Affidavit, must be executed and notarized within the State of Tennessee; however, in rare circumstances, an Application Affidavit or Veteran Exemption Application Affidavit may be executed and notarized outside the State of Tennessee, such as when a person is a member of the armed forces, is stationed outside the state and is unable to be present while the application is being processed.

*Provide all information indicated. Check the appropriate box indicating whether the loan file is complete in all respects or not. Sign and date where indicated, print name and title, and provide telephone number. Omitted information may cause the loan file to be returned to the Originating Agent.*

**GOOD FAITH ESTIMATE FOR SECOND MORTGAGE HO-0575 (07/17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**DISCLOSURE OF LOAN TERMS FOR GREAT CHOICE PLUS SECOND MORTGAGE LOAN HO-0574 (03/03/17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**DISCLOSURE OF LOAN TERMS FOR HHF-DPA HO-0574-HHF (07/17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**GOOD FAITH ESTIMATE FOR HHF-DPA HO-0575-HHF (07/17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**PROGRAM CERTIFICATION FOR HHF-DPA HO-0580-HHF (03/17)**

This disclosure is required by the Department of Treasury on all HHF-DPA loans.

**THIRD PARTY AUTHORIZATION FORM FOR HHF-DPA HHF-DPA-1002 (07/17)**

This form is required by the Department of Treasury on all HHF-DPA loans.

**HARDEST HIT FUND – DOWN PAYMENT ASSISTANCE (HHF-DPA)**

**Third-Party Authorization Form**

\_\_\_\_\_  
**Borrower's Name**

\_\_\_\_\_  
**Co-Borrower's Name**

\_\_\_\_\_  
**Property Address**

The undersigned Borrower and Co-Borrower (if any) (individually and collectively, "Borrower" or "I"), authorize THDA and its successors and assigns (individually and collectively, "THDA") and the U.S. Department of the Treasury and/or their agents (individually and collectively, "Treasury") to obtain, share, release, discuss, and otherwise provide to and with each other public and non-public personal information contained in or related to the 1<sup>st</sup> Mortgage Loan and 2<sup>nd</sup> Mortgage Loan of the Borrower. This information may include (but is not limited to) the name, address, telephone number, social security number, credit score, credit report, income, government monitoring information, loss mitigation application status, account balances, program eligibility, and payment activity of the Borrower. I also understand and consent to the disclosure of my personal information and the terms of any agreements I may have with THDA with respect to THDA **Hardest Hit Fund Programs** to Treasury in connection with their responsibilities under the Emergency Economic Stabilization Act.

THDA will take reasonable steps to verify the identity of any person purporting to be acting in the name of Treasury when providing such information, but THDA has no responsibility or liability for failure to verify or for improperly verifying such identity. THDA shall have no responsibility or liability to Borrower or anyone else connected in any way with the 1<sup>st</sup> Mortgage Loan and the 2<sup>nd</sup> Mortgage Loan with respect to any release of the information described herein. THDA also shall have no responsibility or liability for use of the information described herein by Treasury.

This Authorization is valid when signed by all borrowers and co-borrowers named on the 1st Mortgage Loan and the 2nd Mortgage Loan and remains valid until THDA receives a written revocation signed by all borrowers and co-borrowers.

**I UNDERSTAND AND AGREE WITH THE TERMS OF THIS THIRD-PARTY AUTHORIZATION:**

**Borrower**

**Co-Borrower**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

**Tennessee Housing Development Agency (THDA)  
Underwriting Submission Checklist**

OA Number: \_\_\_\_\_

Primary Applicant: \_\_\_\_\_

OA Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

OA Address: \_\_\_\_\_

Applicant's Email: \_\_\_\_\_

**Program Type:**

- ☐ Great Choice-1<sup>st</sup> Mortgage  
☐ Great Choice Plus-2<sup>nd</sup> Mortgage  
☐ Homeownership for the Brave  
☐ HHF DPA

**DU/LP Recommendation**

- ☐ Approve/Eligible  
☐ Refer/Eligible  
☐ Manual No Score

**Loan Type:**

- ☐ FHA  
☐ VA  
☐ USDA/RD  
☐ Conventional

**Property Type:**

- ☐ Single Family Detached  
☐ Condo  
☐ Manufactured Home  
☐ Other

PLEASE ASSEMBLE PACKAGE IN ORDER LISTED BELOW

**THDA PROGRAM ELIGIBILITY**

- ☐ 1. Buyer Profile
- ☐ 2. Original Application Affidavit(s), Veteran Exemption Application Affidavit
- ☐ 3. Original Seller Affidavit (notarized)
- ☐ 4. Notice to Applicants Federal Recapture Requirements (signed copy)
- ☐ 5. Homebuyer Education Certification, HHF-DPA Combo Certificate
- ☐ 6. Disclosure of Loan Terms for Great Choice Plus second mortgage (if applicable)
- ☐ 7. Disclosure of Loan Terms for HHF-DPA second mortgage (if applicable)
- ☐ 8. HHF-DPA Program: ☐ Program Certification; ☐ Third-Party Authorization Form (if applicable)
- ☐ 9. Initial Good Faith Estimate for Great Choice Plus mortgage loan or HHF-DPA mortgage loan

**CREDIT PACKAGE**

- ☐ 10. FHA Loan Underwriting and Transmittal Summary with condition sheet, **AND** Form 92900A p3, signed by DE Underwriter and DU or LP findings
- ☐ 11. USDA/RHS #3555-18
- ☐ 12. Typed Transmittal Summary (1008) signed by underwriter with DU or LP findings within 90 days of AUS or run date
- ☐ 13. VA/Loan Analysis Worksheet Approval OR VA Certificate of Commitment/DD-214 or DD-4 (if applicable)
- ☐ 14. Initial Loan Estimate
- ☐ 15. Final Loan Application (Typed URLA) 1003 (3 year residency should be stated)
- ☐ 16. Initial Interviewer's Signed Loan Application 1003 (3 year residency should be stated)
- ☐ 17. Credit Report and credit explanation letters (if applicable)
- ☐ 18. Final Divorce Decree/Marital Dissolution (if applicable)
- ☐ 19. Verification of Court Ordered Child Support/Parenting Plan
- ☐ 20. Verification of SSI or Other Assistance
- ☐ 21. Verifications of Employment (verbal is unacceptable)
- ☐ 22. Most Recent Pay Stub (within past 30 days)
- ☐ 23. Signed and Dated Tax Returns with all schedules and W-2s for the most recent tax year including non-qualifying spouse
- ☐ 24. IRS Non-Filing Confirmation for most recent tax year including non-qualifying spouse
- ☐ 25. Verifications of Prior Employment (telephone verification is acceptable)
- ☐ 26. Self-Employment Cash Flow Worksheet, P & L, 2 years Business Tax Returns (corp. or partnership or sole prop.)
- ☐ 27. Verification of Deposit OR Borrower's Bank Statements for the previous two months
- ☐ 28. Gift Letter
- ☐ 29. Sales Contract and Addendum (Copy)
- ☐ 30. Title Commitment
- ☐ 31. Appraisal Report (URAR) and Condition Sheet with VC Sheet/USDA-RD Conditions, and executed conditional commitment (928005.b), VA CRV
- ☐ 32. Final Inspection and Legible Photos of Subject Property (front, rear, street) and Photos or Photocopies of comparable sales
- ☐ 33. Flood Notification (if applicable, signed by Applicant or certified date mailed to Applicant) (Copy)
- ☐ 34. Grant/Down payment assistance approval letters
- ☐ 35. Original Certificate of Title or Original Manufactured Certificate of Origin (Mobile/Manufactured Homes)
- ☐ 36. FHA 203(h) Proof of permanent residence (if applicable)
- ☐ 37. FHA 203(h) Proof of destruction of residence (if applicable)

**THDA RESERVES THE RIGHT TO REQUEST ADDITIONAL DOCUMENTATION TO EVALUATE THIS LOAN APPLICATION.**

The undersigned, an authorized representative of the OA referenced above, hereby certifies and warrants as follows: (i) the information accompanying this submission has been verified and corroborated as required by THDA; (ii) all requirements of applicable federal and/or state law have been met, including, without limitation, all disclosures and requirements in the Federal Reserve Board "Rule" and the Dodd-Frank Act; (iii) the Applicant referenced above and the property proposed for purchase by the Applicant meet all applicable THDA mortgage loan eligibility and program guidelines; and (iv) to the extent this submission is electronic, all documents and affidavits required to be originals or with original signature were obtained.

\_\_\_\_\_  
Originating Agent Authorized Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date

Phone No. (\_\_\_\_) \_\_\_\_\_

Fax No. (\_\_\_\_) \_\_\_\_\_

Email address \_\_\_\_\_

\_\_\_\_\_  
Loan Originator Name

\_\_\_\_\_  
Loan Originator Email



**ORIGINATING AGENTS  
GUIDE REVISION 126**

September 18, 2017

**Remove and discard:**

**Replace with enclosed:**

Page 32 (Revised 07/20/17) .....	Page 32 (Revised 11/01/17)
Page 42 (Revised 04/04/17) .....	Page 42 (Revised 11/01/17)
Page 46 (Revised 04/04/17) .....	Page 46 (Revised 11/01/17)
Page 50 (Revised 08/01/17) .....	Page 50 (Revised 11/01/17)
Page 53 (Revised 08/01/17) .....	Page 53 (Revised 11/01/17)

**Forms:**

Good Faith Estimate Disclosure Great Choice Plus

HO-0575 (07.17)..... *discontinued*

**EFFECT OF CHANGE**

**Effective with loan applications dated November 1, 2017** requiring down payment assistance, the \$50.00 grant will no longer be provided to the lenders to cover the cost of recording fees associated with the second mortgage loan. Originators may use TRID disclosures (Loan Estimate and Closing Disclosure).

**Effective with loan applications dated November 1, 2017**, the Second Mortgage Good Faith Estimate Disclosure (Form HO-0575) will be discontinued.



**S. Sales Contract**

Include a copy of the purchase agreement (fully executed by seller and Applicant) in the application file. Any changes to the purchase agreement must be initialed by seller and Applicant.

**T. FHA Conditional Commitment**

Enclose the HUD Form 92800.5B (FHA Conditional Commitment) and the Appraisal Analysis Sheet, both signed by the DE Underwriter.

**U. Appraisal**

Enclose an original Uniform Residential Appraisal Report (FMNA 1004) in the application file. The Uniform Residential Appraisal Report must reflect inspections of both the interior and exterior of the dwelling. If the original Appraisal must be submitted to the loan insurer or guarantor, a legible copy must be enclosed.

If the negotiated sales price for the property was modified after the Appraisal was provided, enclose a letter from the appraiser that indicates any changes in the appraiser's conclusions.

**V. Flood Notification**

If the property lies within a Special Flood Hazard Zone, the Originating Agent must make proper and timely disclosure to the Applicant in compliance with federal regulations. Provide a life of loan Flood Hazard certification with the initial underwriting submission package or closed loan documents.

**W. Loan Estimate**

The initial Loan Estimate (LE) must be included in the Underwriting Submission Package and any subsequent changes in the LE, if necessary, must be included in the Closed Loan Submission Package. The LE must be provided for the Great Choice Plus and HHF DPA second mortgage loans. Recording fees are the only allowable fees for second mortgage loans.

**X. Title Commitment**

Title commitment must be provided to determine if borrowers have any tax liens. Title searches must include public record information.

**6.3 DOCUMENTING NEW CONSTRUCTION FOR CUSTOM BUILT HOMES**

**NOTE:** *This section does not apply to the purchase of a new or proposed residence located on a lot that is not owned by the Applicant prior to the date of the loan closing; new construction is not allowed on HHF-DPA program..*

**A. Documentation Required**

1. Copy of Warranty Deed to lot.
2. Copy of construction contract.
3. Contractor's detailed cost estimate, if applicable.
4. Contractor's final itemized bill, if applicable.
5. Final inspection with photos, when complete.

**B. Manufactured Housing**

For manufactured housing, additional or substituted documentation must include a contract for the manufactured home and documentation for the cost of foundation, utilities, landscaping, driveways and all other necessary improvements.

2.      **Origination Fee**

A fee up to 2% of the Base Loan Amount is permissible, and is paid to the Originating Agent. The origination fee may not be charged on financed FHA MIP, VA Guaranty Fee, USDA/RD Guaranty Fee or PMI, unless expressly permitted by FHA, VA, USDA/RD or PMI regulations. Either the Borrower or the seller may pay the Origination Fee up to 2%. No additional origination fee may be charged to the Borrower or seller.

A loan originator may designate an origination point on page 2 of the CD.

3.      THDA allows the Originating Agent to charge normal and customary fees, including without limitations, appropriate application fee. If the Originating Agent elects to charge the Application Fee, it must be included on the LE and CD.

### **7.7 USE OF MERS SYSTEM**

Originating Agents who are MERS members, in good standing, may use loan documentation showing Mortgage Electronic Registration Systems, Inc., as the nominee for Originating Agent and Originating Agent's successors and assigns for THDA loans closed on or after July 1, 2006. The THDA loan number must be reflected on all THDA loan documentation in addition to the use of the Mortgage Identification Number (MIN) as may be assigned and required by MERS.

Originating Agents shall cause each deed of trust (with THDA Rider) securing a THDA loan to be properly recorded in the Register's Office of the county in which the property is located and to register such deeds of trust with MERS in accordance with applicable MERS requirements. Originating Agent may sell servicing rights to THDA loans registered with MERS only to THDA approved Servicers who are also MERS members in good standing.

Originating Agent shall, upon THDA's request, obtain and properly record an assignment of any MERS registered THDA loan from MERS to THDA or as THDA may direct. In the event of any dispute regarding a THDA loan registered with MERS, Originating Agent shall take all steps deemed necessary by THDA to protect THDA's interest. All other requirements of this Guide and of the Working Agreement between THDA and Originating Agent shall apply to each THDA loan regardless of registration with MERS.

## **I. Warranty Deed**

Enclose a copy (before recording) of the fully executed Warranty Deed(s) that convey(s) the property to the Borrower. A copy of the recorded Warranty Deed(s) is/are required if a Manufactured Home.

## **J. Closing Disclosure**

The Closed Loan Submission Package must include the Closing Disclosure (CD). The CD must be included for Great Choice Plus and HHF DPA second mortgage loans.

Great Choice Loan Allowable Fees

### I. Great Choice Loan:

A loan originator may designate an origination point on page 2 of the CD. THDA allows up to 2% origination points for all Great Choice loans.

Please note that THDA allows the Originating Agent to charge normal and customary fees, including without limitations, appropriate application fee. If the Originating Agent elects to charge an Application Fee, it must be included on the CD.

### II. Great Choice Plus Loan:

THDA only allows customary recording fees. THDA does not allow Lender title policy on the Great Choice Plus loan. THDA Great Choice Plus loans are exempt from state stamp taxes.

## **K. Hazard Insurance**

THDA must receive a copy of the hazard insurance policy declarations page, or a copy of the Certificate of Insurance, signed by an authorized agent of the insurance company. The original policy or Certificate of Insurance must be sent to the THDA Servicer.

## **L. Termite Inspection/Treatment Certificate (when applicable)**

See Section 7.4.C.

## **M. Flood Insurance (when applicable)**

See Section 7.4.E.

## **N. Commitment Conditions**

Enclose any documents to satisfy, at closing, conditions specified in the Commitment, if not otherwise satisfied with documents listed above.

## SECTION 9: THDA FORMS AND INSTRUCTIONS

As a result of Tax Code requirements, THDA must require certain forms. Application files or closed loan packages that do not contain fully executed THDA forms, as required, will not be accepted by THDA. These forms must be included in THDA application files and in THDA closed loan packages as indicated in this Guide. THDA forms are in addition to the typical forms utilized in the mortgage industry. These forms are to be considered part of this Guide.

THDA forms may not be altered.

THDA forms may not be distributed to a lender who is not an Originating Agent or to any other unauthorized individual or entity.

Detailed instructions for completion of each THDA form follows in the order that they are typically encountered in the lending process:

- Application Affidavit HO-0450 (03/11)
- Veteran Exemption Application Affidavit HO-0460 (02/07)
- Notice to Applicants Federal Recapture Requirements HO-0448 (07/17)
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- Underwriting Submission Checklist HO-0549 (07/17)
- Affidavit of Affixation HO-0453 (12/06)
- Legally Enforceable Obligation Letter HO-0476
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- THDA Rider HO-0440 (08/03)
- Request for Loan Purchase with Acknowledgement and Certification HO-0444 (10/14)
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- Disclosure of Loan Terms for HHF-DPA HO-0574-HHF (07/17)
- Program Certification for HHF-DPA HO-0580-HHF (03/17)
- Third Party Authorization for HHF-DPA HHF-DPA-1002 (07/17)

### **APPLICATION AFFIDAVIT HO-0450 (03/11)**

### **VETERAN EXEMPTION APPLICATION AFFIDAVIT HO-0460 (02/07) (If Applicable)**

The Application Affidavit or Veteran Exemption Application Affidavit (if applicable Application Affidavit must be executed by each applicant and non-qualifying spouse. The household income figure to be provided in item #4 is the maximum allowable income for the size of the applicant's household and location of property. The acquisition cost figure for Great Choice is to be provided in item #5 is the maximum THDA acquisition cost for the county in which the property is located. The original Application Affidavit or Veteran Exemption Application Affidavit is required by THDA. All changes or whiteouts must be initialed by the Applicant(s).

Each Application Affidavit or Veteran Exemption Application Affidavit, must be executed and notarized within the State of Tennessee; however, in rare circumstances, an Application Affidavit or Veteran Exemption Application Affidavit may be executed and notarized outside the State of Tennessee, such as when a person is a member of the armed forces, is stationed outside the state and is unable to be present while the application is being processed.

*Provide all information indicated. Check the appropriate box indicating whether the loan file is complete in all respects or not. Sign and date where indicated, print name and title, and provide telephone number. Omitted information may cause the loan file to be returned to the Originating Agent.*

**DISCLOSURE OF LOAN TERMS FOR GREAT CHOICE PLUS SECOND MORTGAGE LOAN  
HO-0574 (03/03/17)**

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**DISCLOSURE OF LOAN TERMS FOR HHF-DPA HO-0574-HHF (07.17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**PROGRAM CERTIFICATION FOR HHF-DPA HO-0580-HHF (03/17)**

This disclosure is required by the Department of Treasury on all HHF-DPA loans.

**THIRD PARTY AUTHORIZATION FORM FOR HHF-DPA HHF-DPA-1002 (07/17)**

This form is required by the Department of Treasury on all HHF-DPA loans.

effective

**ORIGINATING AGENTS  
GUIDE REVISION 127**

October 16, 2017

**Remove and discard:**

**Replace with enclosed:**

Page 17-B (02/24/17) .....Page 17-B (Revised 11/01/17)

**EFFECT OF CHANGE**

**Effective November 1, 2017**, eligible ZIP codes for the Hardest Hit Fund Down Payment Assistance (HHF-DPA) second mortgage loan program will be expanded to include the following ZIP codes:

37877  
37890  
37920  
37354  
37874  
38118  
37650

THDA will accept loan applications for these additional ZIP codes beginning November 1, 2017.



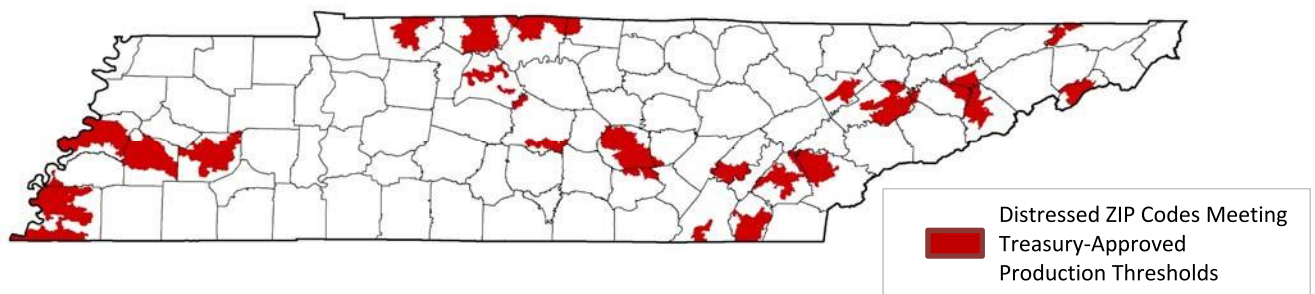


### **3.8 HHF-DPA Program Targeted Zip Codes**

THDA received approval from the U.S. Department of Treasury to commit \$60 million in federal funding to its new Down Payment Assistance Program. The source of this funding is U.S. Treasury's Hardest Hit Fund (HHF), which was established in the aftermath of the mortgage market crisis to help homeowners at risk of losing their homes to foreclosure.

THDA's \$15,000 Down Payment Assistance Program is available for existing construction in 62 targeted ZIP Codes located in 33 Tennessee counties based on a number of "stress" factors, including foreclosures, short sales and negative equity rates:

#### **HHF-DPA Targeted ZIP Codes**



#### **ZIP Codes Eligible for HHF-DPA**

37037	37172	37321	37650	37877	38012	38111	38133
37040	37186	37323	37660	37890	38016	38115	38134
37042	37207	37354	37716	37912	38018	38116	38135
37073	37208	37404	37721	37914	38053	38118	38141
37086	23217	37406	37813	37917	38063	38122	38301
37110	37218	37411	37821	37920	38105	38125	38305
37115	37303	37412	37871	37921	38107	38127	
37148	37311	37416	37874	37920	38109	38128	

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**ORIGINATING AGENTS  
GUIDE REVISION 128**

October 24, 2017

**Remove and discard:**

**Replace with enclosed:**

Forms:

Underwriting Submission Checklist

HO-0549 (08/17) ..... HO-0549 (11/17)

Good Faith Estimate - Great Choice Plus

HO-0575 (07/17) ..... HO-0575 (11/17)

Settlement Statement - Great Choice Plus

HO-0576 (10/15) ..... HO-0576 (11/17)

Good Faith Estimate - HHF-DPA

HO-0575-HHF (07/17) ..... HO-0575-HHF (11/01)

Settlement Statement - HHF-DPA

HO-0576-HHF (03/17) ..... HO-0576-HHF (11/01)

New ..... Loan Estimate

New ..... Closing Disclosure

**EFFECT OF CHANGE**

**Effective with loan applications (1003) dated 11/1/2017** requiring down payment assistance, the \$50.00 grant THDA provides to the borrower will no longer be provided to the lenders to cover the cost of recording fees associated with the second mortgage loan.

Originators may generate their own TRID disclosures (Loan Estimate and Closing Disclosure) for the Second Mortgage Loans or use the fillable disclosures provided on the THDA website.

Current GFE and Settlement Statements may continue to be used until the CFPB's effective date of October 1, 2018.



**Tennessee Housing Development Agency (THDA)  
Underwriting Submission Checklist**

OA Number: \_\_\_\_\_

Primary Applicant: \_\_\_\_\_

OA Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

OA Address: \_\_\_\_\_

Applicant's Email: \_\_\_\_\_

**Program Type:**

- ☐ Great Choice-1<sup>st</sup> Mortgage  
☐ Great Choice Plus-2<sup>nd</sup> Mortgage  
☐ Homeownership for the Brave  
☐ HHF DPA

**DU/LP Recommendation**

- ☐ Approve/Eligible  
☐ Refer/Eligible  
☐ Manual No Score

**Loan Type:**

- ☐ FHA  
☐ VA  
☐ USDA/RD  
☐ Conventional

**Property Type:**

- ☐ Single Family Detached  
☐ Condo  
☐ Manufactured Home  
☐ Other

PLEASE ASSEMBLE PACKAGE IN ORDER LISTED BELOW

**THDA PROGRAM ELIGIBILITY**

- ☐ 1. Buyer Profile
- ☐ 2. Original Application Affidavit(s), Veteran Exemption Application Affidavit
- ☐ 3. Original Seller Affidavit (notarized)
- ☐ 4. Notice to Applicants Federal Recapture Requirements (signed copy)
- ☐ 5. Homebuyer Education Certification, HHF-DPA Combo Certificate
- ☐ 6. Disclosure of Loan Terms for Great Choice Plus second mortgage (if applicable)
- ☐ 7. Disclosure of Loan Terms for HHF-DPA second mortgage (if applicable)
- ☐ 8. HHF-DPA Program: ☐ Program Certification; ☐ Third-Party Authorization Form (if applicable)
- ☐ 9. Initial Disclosures for Great Choice Plus mortgage loan or HHF-DPA mortgage loan

**CREDIT PACKAGE**

- ☐ 10. FHA Loan Underwriting and Transmittal Summary with condition sheet, **AND** Form 92900A p3, signed by DE Underwriter and DU or LP findings
- ☐ 11. USDA/RHS #3555-18
- ☐ 12. Typed Transmittal Summary (1008) signed by underwriter with DU or LP findings within 90 days of AUS or run date
- ☐ 13. VA/Loan Analysis Worksheet Approval OR VA Certificate of Commitment/DD-214 or DD-4 (if applicable)
- ☐ 14. Initial Loan Estimate
- ☐ 15. Final Loan Application (Typed URLA) 1003 (3 year residency should be stated)
- ☐ 16. Initial Interviewer's Signed Loan Application 1003 (3 year residency should be stated)
- ☐ 17. Credit Report and credit explanation letters (if applicable)
- ☐ 18. Final Divorce Decree/Marital Dissolution (if applicable)
- ☐ 19. Verification of Court Ordered Child Support/Parenting Plan
- ☐ 20. Verification of SSI or Other Assistance
- ☐ 21. Verifications of Employment (verbal is unacceptable)
- ☐ 22. Most Recent Pay Stub (within past 30 days)
- ☐ 23. Signed and Dated Tax Returns with all schedules and W-2s for the most recent tax year including non-qualifying spouse
- ☐ 24. IRS Non-Filing Confirmation for most recent tax year including non-qualifying spouse
- ☐ 25. Verifications of Prior Employment (telephone verification is acceptable)
- ☐ 26. Self-Employment Cash Flow Worksheet, P & L, 2 years Business Tax Returns (corp. or partnership or sole prop.)
- ☐ 27. Verification of Deposit OR Borrower's Bank Statements for the previous two months
- ☐ 28. Gift Letter
- ☐ 29. Sales Contract and Addendum (Copy)
- ☐ 30. Title Commitment
- ☐ 31. Appraisal Report (URAR) and Condition Sheet with VC Sheet/USDA-RD Conditions, and executed conditional commitment (928005.b), VA CRV
- ☐ 32. Final Inspection and Legible Photos of Subject Property (front, rear, street) and Photos or Photocopies of comparable sales
- ☐ 33. Flood Notification (if applicable, signed by Applicant or certified date mailed to Applicant) (Copy)
- ☐ 34. Grant/Down payment assistance approval letters
- ☐ 35. Original Certificate of Title or Original Manufactured Certificate of Origin (Mobile/Manufactured Homes)
- ☐ 36. FHA 203(h) Proof of permanent residence (if applicable)
- ☐ 37. FHA 203(h) Proof of destruction of residence (if applicable)

**THDA RESERVES THE RIGHT TO REQUEST ADDITIONAL DOCUMENTATION TO EVALUATE THIS LOAN APPLICATION.**

The undersigned, an authorized representative of the OA referenced above, hereby certifies and warrants as follows: (i) the information accompanying this submission has been verified and corroborated as required by THDA; (ii) all requirements of applicable federal and/or state law have been met, including, without limitation, all disclosures and requirements in the Federal Reserve Board "Rule" and the Dodd-Frank Act; (iii) the Applicant referenced above and the property proposed for purchase by the Applicant meet all applicable THDA mortgage loan eligibility and program guidelines; and (iv) to the extent this submission is electronic, all documents and affidavits required to be originals or with original signature were obtained.

\_\_\_\_\_  
Originating Agent Authorized Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date

Phone No. (\_\_\_\_) \_\_\_\_\_

Fax No. (\_\_\_\_) \_\_\_\_\_

Email address \_\_\_\_\_

\_\_\_\_\_  
Loan Originator Name

\_\_\_\_\_  
Loan Originator Email

**SUBSTITUTE GFE FORM FOR THDA SUBORDINATES****Second Mortgage Good Faith Estimate Disclosure****Great Choice Plus Mortgage Loan**Name of Applicant(s): \_\_\_\_\_  
\_\_\_\_\_

Application/Loan No: \_\_\_\_\_

Date Prepared: \_\_\_\_\_

Property Address: \_\_\_\_\_  
\_\_\_\_\_Prepared by: **TENNESSEE HOUSING DEVELOPMENT AGENCY**

502 Deaderick St., Third Floor

Nashville, TN 37243

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimated – actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

**Total Loan Amount: \$****Interest Rate: 0%****Term: 360 months****800 ITEMS PAYABLE IN CONNECTION WITH LOAN:**

801 Loan Origination Fee \$ \_\_\_\_\_

802 Loan Discount \_\_\_\_\_

803 Appraisal Fee \_\_\_\_\_

804 Credit Report \_\_\_\_\_

805 Lender's Inspection Fee \_\_\_\_\_

808 Mortgage Broker Fee \_\_\_\_\_

809 Tax Related Service Fee \_\_\_\_\_

810 Processing Fee \_\_\_\_\_

811 Underwriting Fee \_\_\_\_\_

812 Wire Transfer Fee \_\_\_\_\_

**1100 TITLE CHARGES:**

1101 Closing or Escrow Fee \$ \_\_\_\_\_

1105 Document Preparation Fee \_\_\_\_\_

1106 Notary Fees \_\_\_\_\_

1107 Attorney Fees \_\_\_\_\_

1108 Title Insurance \_\_\_\_\_

**1200 GOVERNMENT RECORDING & TRANSFER CHARGES:****1201 Recording Fees \$ \_\_\_\_\_**

1202 City/County Stamps \_\_\_\_\_

1203 State Tax Stamps \_\_\_\_\_

**1300 ADDITIONAL SETTLEMENT CHARGES:**

1302 Pest Inspection \$ \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

***Estimated Closing Costs:* \$ \_\_\_\_\_**

\_\_\_\_\_

You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.

\_\_\_\_\_  
Applicant Signature\_\_\_\_\_  
Applicant Signature

**GREAT CHOICE PLUS SETTLEMENT STATEMENT****Closing Disclosure for Great Choice Plus Mortgage Loan**

Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing and are shown here for informational purposes and are not included in the totals.

**Name and Address of Borrower(s):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Property Location:** \_\_\_\_\_  
\_\_\_\_\_

**Lender:**

Tennessee Housing Development Agency  
502 Deaderick St., Third Floor  
Nashville, TN 37243  
(615) 815-2100

**Settlement Date:** \_\_\_\_\_**Summary of Borrower's Transaction**

100. Gross Amount Due from Borrower	
101. Contract sales price	
102. Personal Property	
103. Settlement Charges to Borrower	
<b>120. Gross Amount Due From Borrower</b>	
200. Amounts Paid by or in Behalf of Borrower	
201. Deposit or earnest money	
202. Principal amount of new loan	
203. Existing loan(s) taken subject to	
<b>220. Total Paid by/for Borrower</b>	
300. Cash at Settlement from/to Borrower	
301. Gross amount due from Borrower (Line 120)	
302. Less amount paid by/for Borrower (Line 220) ( )	
<b>303. Cash To Borrower For DPA on 1st Mtg</b>	

**Settlement Charges**

<b>800. Items Payable in Connection with Loan</b>	
801. Loan Origination	
802. Loan Discount	
803. Appraisal	
804. Credit Report	
805. Lender's Inspection	
808. Mortgage Broker Fee	
809. Tax Related Service Fee	
810. Processing Fee	
811. Underwriting Fee	
812. Wire Transfer Fee	
<b>1100. Title Charges</b>	
1101. Closing or Escrow Fee	
1105. Doc Preparation Fee	
1106. Notary Fees	
1107. Attorney Fees	
1108. Title Insurance	
<b>1200. Government Recording and Transfer</b>	
1201. Recording Fees To Register of Deeds	
1202. Deed \$ Mortgage \$	
1203. Transfer taxes	
1204. City/County tax/Stamps	
1205. State tax/stamps	
<b>1300. Additional Settlement Charges</b>	
1302. Pest Inspection	
1400. Total Settlement Charges	

The undersigned hereby acknowledges receipt of a completed copy of this statement.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Borrower Signature

## **Instructions for Great Choice 2<sup>nd</sup> Settlement Statement**

Please complete the Settlement Statement Form HO-0576 for the second loan in order for the correct number to go on the Closing Disclosure for the first loan. It is suggested that both forms be sent to the borrower at the same time in order to meet the 3 day requirement.

THDA must receive both Closing Disclosures in the closing packages that are uploaded after closing. If the forms are not correct, the loans will not fund until they are submitted correctly.

Please see the attached EXAMPLE of a correct Great Choice Plus Settlement Statement.

Line	Description
103	Same as recording fee. Same amount on line 120 and 1400.
120	Same amount on line 103 and 1400.
202	Amount of 2 <sup>nd</sup> loan.
220	Total of line 202 and 204.
301	Same amount as line 120.
302	Same amount as line 220.
303	Total of lines 301 and 302. This amount goes on the CD for the first loan on Line L-06.
1201	Recording fee for 2 <sup>nd</sup> deed of trust; should also be on line 1202. This amount is normally \$42 or \$47, depending on whether an extra page is added for the legal description.
1203	Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.
1204	Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.
1205	Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.
1400	Total Settlement Charges; the same as recording fee. Same amount on line 103 and 120.

**For additional assistance please submit questions to [sfASK@thda.org](mailto:sfASK@thda.org).**

**SUBSTITUTE GFE FORM FOR THDA SUBORDINATES****Second Mortgage Good Faith Estimate Disclosure****HHF-DPA Mortgage Loan**Name of Applicant(s): \_\_\_\_\_  
\_\_\_\_\_

Application/Loan No: \_\_\_\_\_

Date Prepared: \_\_\_\_\_

Property Address: \_\_\_\_\_  
\_\_\_\_\_Prepared by: **TENNESSEE HOUSING DEVELOPMENT AGENCY**

502 Deaderick St., Third Floor

Nashville, TN 37243

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimated – actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

**Total Loan Amount: \$15,000****Interest Rate: 0%****Term: 120 months****800 ITEMS PAYABLE IN CONNECTION WITH LOAN:**

801	Loan Origination Fee	\$
802	Loan Discount	
803	Appraisal Fee	
804	Credit Report	
805	Lender's Inspection Fee	
808	Mortgage Broker Fee	
809	Tax Related Service Fee	
810	Processing Fee	
811	Underwriting Fee	
812	Wire Transfer Fee	

**1100 TITLE CHARGES:**

1101	Closing or Escrow Fee	\$
1105	Document Preparation Fee	
1106	Notary Fees	
1107	Attorney Fees	
1108	Title Insurance	

**1200 GOVERNMENT RECORDING & TRANSFER CHARGES:**

<b>1201</b>	<b>Recording Fees</b>	<b>\$</b>
1202	City/County Stamps	
1203	State Tax Stamps	

**1300 ADDITIONAL SETTLEMENT CHARGES:**

1302	Pest Inspection	\$
------	-----------------	----

**Estimated Closing Costs: \$**

You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.

\_\_\_\_\_  
Applicant Signature\_\_\_\_\_  
Applicant Signature

**HHF-DPA SETTLEMENT STATEMENT****Closing Disclosure for Hardest Hit Fund DPA Loan**

Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing and are shown here for informational purposes and are not included in the totals.

**Name and Address of Borrower(s):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Property Location:** \_\_\_\_\_  
\_\_\_\_\_

**Lender:**

Tennessee Housing Development Agency  
502 Deaderick St., Third Floor  
Nashville, TN 37243  
(615) 815-2100

**Settlement Date:** \_\_\_\_\_**Summary of Borrower's Transaction**

100. Gross Amount Due from Borrower	
101. Contract sales price	
102. Personal Property	
103. Settlement Charges to Borrower	
<b>120. Gross Amount Due From Borrower</b>	
200. Amounts Paid by or in Behalf of Borrower	
201. Deposit or earnest money	
202. Principal amount of new loan	
203. Existing loan(s) taken subject to	
<b>220. Total Paid by/for Borrower</b>	
300. Cash at Settlement from/to Borrower	
301. Gross amount due from Borrower (Line 120)	
302. Less amount paid by/for Borrower (Line 220) ( )	
<b>303. Cash To Borrower For DPA on 1st Mtg</b>	

**Settlement Charges**

<b>800. Items Payable in Connection with Loan</b>	
801. Loan Origination	
802. Loan Discount	
803. Appraisal	
804. Credit Report	
805. Lender's Inspection	
808. Mortgage Broker Fee	
809. Tax Related Service Fee	
810. Processing Fee	
811. Underwriting Fee	
812. Wire Transfer Fee	
<b>1100. Title Charges</b>	
1101. Closing or Escrow Fee	
1105. Doc Preparation Fee	
1106. Notary Fees	
1107. Attorney Fees	
1108. Title Insurance	
<b>1200. Government Recording and Transfer</b>	
1201. Recording Fees To Register of Deeds	
1202. Deed \$ Mortgage \$	
1203. Transfer taxes	
1204. City/County tax/Stamps	
1205. State tax/stamps	
<b>1300. Additional Settlement Charges</b>	
1302. Pest Inspection	
1400. Total Settlement Charges	

The undersigned hereby acknowledges receipt of a completed copy of this statement.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Borrower Signature

## **Instructions for HHF-DPA 2<sup>nd</sup> Settlement Statement**

Please complete the Settlement Statement Form HO-0576-HHF for the second loan in order for the correct number to go on the Closing Disclosure for the first loan. It is suggested that both forms be sent to the borrower at the same time in order to meet the 3 day requirement.

THDA must receive both Closing Disclosures in the closing packages that are uploaded after closing. If the forms are not correct, the loans will not fund until they are submitted correctly.

<b>Line</b>	<b>Description</b>
103	Same as recording fee. Same amount on line 120 and 1400.
120	Same amount on line 103 and 1400.
202	Amount of 2 <sup>nd</sup> loan.
220	Total of line 202 and 204.
301	Same amount as line 120.
302	Same amount as line 220.
303	Total of lines 301 and 302. This amount goes on the CD for the first loan on Line L-06.
1201	Recording fee for 2 <sup>nd</sup> deed of trust; should also be on line 1202. This amount is normally \$42 or \$47, depending on whether an extra page is added for the legal description.
1203	Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.
1204	Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.
1205	Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.
1400	Total Settlement Charges; the same as recording fee. Same amount on line 103 and 120.

**For additional assistance please submit questions to [sfASK@thda.org](mailto:sfASK@thda.org).**



# Tennessee Housing Development Agency

502 Deaderick St, Third Floor, Nashville, TN 37243

Save this Loan Estimate to compare with your Closing Disclosure.

## Loan Estimate

DATE ISSUED  
APPLICANTS

PROPERTY  
SALE PRICE

**LOAN TERM** 30 years, Forgiven at the end of the term  
**PURPOSE** Purchase  
**PRODUCT** Non-amortizing, Deferred Payment, Fixed Rate  
**LOAN TYPE** ☐ Conventional ☐ FHA ☐ VA ☒ **Great Choice Plus**  
**LOAN ID #**  
**RATE LOCK** NO YES, until  
*Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on*

Loan Terms	Can this amount increase after closing?
<b>Loan Amount</b>	NO
<b>Interest Rate</b>	0% NO
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	0 NO
<b>Prepayment Penalty</b>	<b>Does the loan have these features?</b> NO, Due in full upon 1st mortgage payoff, assumption, or refinance. The loan is forgiven at the end of the term of the Great Choice first mortgage.
<b>Balloon Payment</b>	YES, You will have to pay loan in full upon 1st mortgage payoff, assumption or refinance

Projected Payments	
<b>Payment Calculation</b>	Years 1-30
Principal & Interest	
Mortgage Insurance	\$0
Estimated Escrow <i>Amount can increase over time</i>	
<b>Estimated Total Monthly Payment</b>	\$0
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i>	N/A <b>This estimate includes</b> <input type="checkbox"/> Property Taxes <input type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>

Costs at Closing	
<b>Estimated Closing Costs</b>	Includes in Loan Costs + in Other Costs – in Lender Credits. <i>See page 2 for details.</i>
<b>Estimated Cash to Close</b>	Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i>

Visit [www.consumerfinance.gov/mortgage-estimate](http://www.consumerfinance.gov/mortgage-estimate) for general information and tools.

## Closing Cost Details

### Loan Costs

#### A. Origination Charges

% of Loan Amount (Points)

#### B. Services You Cannot Shop For

#### C. Services You Can Shop For

#### D. TOTAL LOAN COSTS (A + B + C)

\$0

### Other Costs

#### E. Taxes and Other Government Fees

Recording Fees and Other Taxes  
Transfer Taxes

#### F. Prepaids

Homeowner's Insurance Premium (    months)  
Mortgage Insurance Premium (    months)  
Prepaid Interest (    per day for    days @    )  
Property Taxes (    months)

#### G. Initial Escrow Payment at Closing

Homeowner's Insurance	per month for	mo.
Mortgage Insurance	per month for	mo.
Property Taxes	per month for	mo.

#### H. Other

#### I. TOTAL OTHER COSTS (E + F + G + H)

#### J. TOTAL CLOSING COSTS

D + I  
Lender Credits

### Calculating Cash to Close

Total Closing Costs (J)  
Closing Costs Financed (Paid from your Loan Amount)  
Down Payment/Funds from Borrower  
Deposit  
Funds for Borrower  
Seller Credits  
Adjustments and Other Credits

#### Estimated Cash to Close

## Additional Information About This Loan

**LENDER**  
**NMLS/\_\_\_ LICENSE ID**  
**LOAN OFFICER**  
**NMLS/\_\_\_ LICENSE ID**  
**EMAIL**  
**PHONE**

Tennessee Housing Development Agency  
 502 Deaderick St, Third Floor  
 Nashville, TN 37243  
 SFask@THDA.org  
 615-815-2200

**MORTGAGE BROKER**  
**NMLS/\_\_\_ LICENSE ID**  
**LOAN OFFICER**  
**NMLS/\_\_\_ LICENSE ID**  
**EMAIL**  
**PHONE**

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	0	Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	0	Principal you will have paid off.
Annual Percentage Rate (APR)	0	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	0	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations	
<b>Appraisal</b>	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
<b>Assumption</b>	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
<b>Homeowner's Insurance</b>	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
<b>Late Payment</b>	If your payment is more than <u>N/A</u> days late, we will charge a late fee of <u>N/A</u>
<b>Refinance</b>	Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
<b>Servicing</b>	We intend <input checked="" type="checkbox"/> to service your loan. If so, you will make your payments to us. <input type="checkbox"/> to transfer servicing of your loan.

**Confirm Receipt**

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_ Co-Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information	Transaction Information	Loan Information
Date Issued	Borrower	Loan Term30 years, Forgiven at the end of term
Closing Date		PurposePurchase
Disbursement Date		ProductNon-amortizing, Deferred Payment, Fixed Rate
Settlement Agent	LenderTennessee Housing Development Agency	Loan Type <input type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	502 Deaderick St, Third Floor	<input type="checkbox"/> VA <input checked="" type="checkbox"/> Great Choice Plus
Property	Nashville, TN 37243	Loan ID #
Appraised Prop. Value		MIC #

Loan Terms	Can this amount increase after closing?
Loan Amount	NO
Interest Rate	0%NO
Monthly Principal & Interest See Projected Payments below for your Estimated Total Monthly Payment	\$0NO
Prepayment Penalty	Does the loan have these features? NO, Due in full upon 1st mortgage payoff, assumption, or refinance. The loan is forgiven at the end of the term of the Great Choice first mortgage.
Balloon Payment	YES, You will have to pay loan in full upon 1st mortgage payoff, assumption or refinance

Projected Payments	
Payment Calculation	Years 1-30
Principal & Interest	\$0
Mortgage Insurance	\$0
Estimated Escrow <i>Amount can increase over time</i>	\$0
<b>Estimated Total Monthly Payment</b>	\$0
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i> <i>See page 4 for details</i>	<div>N/A</div> <div><div>This estimate includes</div><div><div><input type="checkbox"/> Property Taxes</div><div><input type="checkbox"/> Homeowner’s Insurance</div><div><input type="checkbox"/> Other:</div></div><div><i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i></div></div> <div>In escrow?</div>

Costs at Closing	
Closing Costs	Includes _____ in Loan Costs + _____ in Other Costs – _____ in Lender Credits. <i>See page 2 for details.</i>
Cash to Close	Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower

## Closing Cost Details

Loan Costs		Borrower-Paid		Paid by Others
		At Closing	Before Closing	
<b>A. Origination Charges</b>		\$0.00		
01	% of Loan Amount (Points)			
02				
03				
04				
05				
06				
07				
08				
<b>B. Services Borrower Did Not Shop For</b>		\$0.00		
01				
02				
03				
04				
05				
06				
07				
08				
09				
10				
<b>C. Services Borrower Did Shop For</b>		\$0.00		
01				
02				
03				
04				
05				
06				
07				
08				
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>				
Loan Costs Subtotals (A + B + C)		\$0.00		
<b>Other Costs</b>				
<b>E. Taxes and Other Government Fees</b>				
01	Recording Fees      Deed:      Mortgage:			
02				
<b>F. Prepays</b>		\$0.00		
01	Homeowner's Insurance Premium (    mo.)			
02	Mortgage Insurance Premium (    mo.)			
03	Prepaid Interest (    per day from    to    )			
04	Property Taxes (    mo.)			
05				
<b>G. Initial Escrow Payment at Closing</b>		\$0.00		
01	Homeowner's Insurance      per month for    mo.			
02	Mortgage Insurance      per month for    mo.			
03	Property Taxes      per month for    mo.			
04				
05				
06				
07				
08	Aggregate Adjustment			
<b>H. Other</b>		\$0.00		
01				
02				
03				
04				
05				
06				
07				
08				
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>				
Other Costs Subtotals (E + F + G + H)		\$0.00		
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>				
Closing Costs Subtotals (D + I)				
Lender Credits				

**Calculating Cash to Close**

Use this table to see what has changed from your Loan Estimate.

	Estimate	Final	Did this change?
Total Closing Costs (J)			
Closing Costs Paid Before Closing			
Closing Costs Financed (Included in Loan Amount)			
Down Payment/Funds from Borrower			
Funds for Borrower			
<b>Cash to Close</b>			

**Disbursements to Others**

Use this table to see a list of payments from your loan funds.

TO	AMOUNT
01	\$0.00
02	
03	
04	
05	
06	
07	
08	
09	
10	
11	
12	
13	
14	
15	
<b>Total Disbursement to Others</b>	\$0.00

## Additional Information About This Loan

### Loan Disclosures

#### Assumption

- If you sell or transfer this property to another person, your lender
- ☐ will allow, under certain conditions, this person to assume this loan on the original terms.
- ☒ will not allow assumption of this loan on the original terms.

#### Demand Feature

Your loan

- ☒ has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- ☐ does not have a demand feature.

#### Late Payment

If your payment is more than N/A days late, your lender will charge a late fee of N/A

#### Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- ☐ are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- ☐ may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- ☒ do not have a negative amortization feature.

#### Partial Payments

Your lender

- ☒ may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- ☐ may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- ☐ does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

#### Security Interest

You are granting a security interest in \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

#### Escrow Account

**For now,** your loan

- ☐ will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your escrowed property costs:
Non-Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your non-escrowed property costs:  You may have other property costs.
Initial Escrow Payment		A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment		The amount included in your total monthly payment.

- ☒ will not have an escrow account because ☐ you declined it ☒ your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

#### In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

## Loan Calculations

<b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$0
<b>Finance Charge.</b> The dollar amount the loan will cost you.	\$0
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	0
<b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	0



**Questions?** If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at [www.consumerfinance.gov/mortgage-closing](http://www.consumerfinance.gov/mortgage-closing)

## Other Disclosures

### Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

### Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- ☒ state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- ☐ state law does not protect you from liability for the unpaid balance.

### Loan Acceptance

You do not have to accept this loan because you have received this form or signed a loan application.

### Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

### Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

## Contact Information

	Lender	Mortgage Broker	Settlement Agent
<b>Name</b>	Tennessee Housing Development Agency		
<b>Address</b>	502 Deaderick St, Third Floor Nashville, TN 37243		
<b>NMLS ID</b>	N/A State Housing Agency		
<b>TN License ID</b>	N/A State Housing Agency		
<b>Contact</b>			
<b>Contact NMLS ID</b>			
<b>Contact ___ License ID</b>	N/A State Housing Agency		
<b>Email</b>	SFask@thda.org		
<b>Phone</b>	615-815-2100		



**ORIGINATING AGENTS  
GUIDE REVISION 129**

November 15, 2017

**Remove and discard:**

**Replace with enclosed:**

Page 3 (Revised 04/04/2017)..... Page 3 (Revised 11/27/2017)

**EFFECT OF CHANGE**

Effective Monday, **November 27, 2017**, the interest rate on all Great Choice Mortgage Loan applications will be reduced to **4.25%**. Based on this rate, the Homeownership for the Brave Loan Program will be reduced to **3.75%**.

All loan applications, including electronic submissions, received by THDA on or after **November 27, 2017** must be submitted at the new rate.

All Great Choice applications received by THDA prior to November 27, 2017, and outstanding commitments at the rate of **4.625%** for Great Choice and **4.125%** for Homeownership for the Brave, remain in effect and the respective loan must close at those rates.



#### **1.4. CURRENT THDA LOAN PROGRAMS**

##### **A. Great Choice Loan Program**

This program is designed for low and moderate income borrowers. Great Choice offers a low interest rate loan secured by a first mortgage with the option of down payment and closing cost assistance to a maximum of 5% of the purchase price at a 0% interest rate, deferred payment, forgivable second loan secured by a second deed of trust. THDA allows the following loan types: FHA, USDA, and VA at the maximum loan limits based on insurer or guarantors guidelines. THDA also allows conventional uninsured loans with a maximum loan to value of 78%.

<b>Maximum Household Income</b>	Varies by county
<b>Maximum Acquisition Cost (Including all incidentals)</b>	Varies by county
<b>Maximum LTV</b>	Subject to FHA, VA, and USDA/RD Guidelines. Conventional Loans 78% LTV or less.
<b>Interest Rate</b>	<b>4.25%</b> fixed rate, subject to change
<b>Loan Term</b>	30 years
<b>Loan Types</b>	FHA, VA, USDA/RD, Conventional
<b>Mortgage Insurance or Guarantee</b>	As required by loan type
<b>Buydowns</b>	Not allowed
<b>Assumable</b>	Subject to qualifying
<b>Pre-Payment Penalty</b>	No penalty
<b>Subject to Recapture</b>	Yes
<b>Required Reserve</b>	As required by loan type
<b>Minimum Investment</b>	As required by loan type
<b>Closing Costs</b>	May come from borrower, seller, a gift, or as required by loan type
<b>Down Payment</b>	As required by loan type
<b>First Time Homebuyer Rule</b>	Borrower must not have an interest in their primary residence within 36 months of application <b>unless</b> the property to be financed with the loan is in a targeted area or the borrower meets the Veteran's exemption. (See THDA website for targeted areas.)
<b>Homebuyer Education</b>	Not required
<b>Origination Fee</b>	Up to 2% maximum