

Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: February 7, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: **Interest Rate Change**

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THDA would like to announce that **effective Saturday, February 17, 2018**, the interest rate on the Great Choice Loan Program applications will be increased to 4.50%. Based on this rate, the Homeownership for the Brave Loan Program will increase to 4.00%

All loan applications **received by THDA on or after Saturday, February 17, 2018**, must be submitted at the higher rate. All applications received by THDA **prior to February 17, 2018**, and outstanding commitments at the lower rates of 4.25% for Great Choice and 3.75% for the Homeownership for the Brave will close at those respective rates.

Thank you again for your continued support and participation in the THDA mortgage program. If you have questions, please feel free to contact [SFask@thda.org](mailto:SFask@thda.org) or call (615) 815-2100.



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Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: February 20, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: **Update on HHF-DPA Program**

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THDA would like to provide an update of the availability of the Hardest Hit Fund Down Payment Assistance (HHF-DPA) second mortgage loan program. As of today \$35,626,963 is available. These funds are based on a first-come first-served timing and are reserved only when a complete file has been submitted through THELMA, THDA's on-line portal.

THDA anticipates these funds to be exhausted by the end of summer 2018. We have instituted multiple ways to keep our industry partners informed. These include:

- Weekly Blasts from our Customer Account Managers. If you do not receive these, please contact Toumie Parrot, [tparrot@thda.org](mailto:tparrot@thda.org).
- THELMA login page updated weekly, <https://ols.thda.org>
- Lenders with THELMA credentials can access a live update
- Monthly newsletter-Windows to Homeownership
- Great Choice TN Facebook page
- Weekly THELMA Blasts
- Monthly notifications to Tennessee's Realtor® Associations
- Program end date will be communicated 45 days out through all listed avenues

Last year, THDA received approval from the U.S. Department of Treasury to commit federal funding for the purchase of existing homes in designated ZIP Codes across the state. THDA has committed about half of these funds, approximately \$28 million. 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. Applicants who apply for the HHF-DPA second mortgage loan must qualify and obtain THDA's Great Choice first mortgage loan. For more information about the HHF-DPA program or our Great Choice Plus DPA program, you can visit [GreatChoiceTN.com](http://GreatChoiceTN.com).



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If you would like THDA to provide additional training for your company or joint training with your real estate partners on the HHF-DPA mortgage loan program or our Great Choice Plus mortgage loan, please let us know. Please note that marketing and training materials must be approved by THDA.

Please feel free to contact THDA directly at 615-815-2100 or by email to [SFask@thda.org](mailto:SFask@thda.org) with any questions. Thank you for your continued participation in THDA's mortgage program.

Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: February 20, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: Initial Escrow Deposit

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THDA would like to provide an update for the initial escrow process for newly originated business that is being serviced by VMLS. Effective with THDA commitments **dated March 1, 2018** and reflecting VMLS as the servicer, the initial escrow deposit will no longer need to be wired to THDA. THDA will net these funds from the purchase amount that is sent to the lenders.

Currently the following lenders are being serviced by VMLS:

Alterra Group  
American Bancshares Mortgage  
American Southwest Mortgage  
Bank of Cleveland  
Bank of Putnam County  
Bank of Tennessee  
Bartlett Mortgage  
Brand Mortgage  
Cal Con Mutual Mortgage  
Cardinal Financial Company  
Century Mortgage Company  
Community Mortgage  
Draper and Kramer Mortgage

Eagle Home Mortgage  
Equity Prime Mortgage  
F & M Bank  
Farmers Bank  
FBC Mortgage  
Financial Federal Bank  
First Advantage Bank  
First Citizens National  
Guaranty Trust Company  
IberiaBank Mtg  
LeaderOne Financial Corp  
Loan Depot  
Loan Simple Inc.

Orion Federal Credit Union  
Paramount Residential  
People's Home Equity  
Regions Bank  
Renasant Bank  
Success Mortgage Partners  
SWBC Mortgage Corp.  
Synovus Mortgage  
The Mortgage Firm  
Triumph Bank  
Wilson Bank & Trust

For a complete updated listing that includes March, April, May and June transfers, please refer to the December 19, 2017 memo found at <https://thda.org/business-partners/lenders>.

We appreciate your patience as THDA transfers our servicing in-house. Please feel free to contact THDA directly at 615-815-2100 or by email to [SFask@thda.org](mailto:SFask@thda.org) with any questions. Thank you for your continued participation in THDA's mortgage program.



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**MEMORANDUM**

DATE: March 5, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: **Status of Servicing Transfer**

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THDA would like to provide an update for the servicing of our newly originated Great Choice Mortgage Loans. THDA has transferred almost half of our Originating Agents to our in-house servicing department, Volunteer Mortgage Loan Servicing (VMLS). These transfers will continue through June 2018.

As stated earlier, the initial timeline was tentative, as each THDA Originating Agent is expected to execute a new working agreement as provided by THDA, prior to the effective transfer date. THDA has made a revision to the transfer timeline and is including it with this memo. Also, please watch for emails regarding training opportunities. Information regarding training webinars for closing staff will be sent prior to the transfer effective date.

THDA and VMLS are looking forward to servicing your borrowers' accounts. Thank you for your continued participation in THDA's mortgage loan programs. If you have any questions, please contact [sfASK@thda.org](mailto:sfASK@thda.org) or call 615-815-2100.



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Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: March 6, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: **Homebuyer Education Requirement**

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THDA recognizes the importance of promoting quality in homebuyer education and counseling; and in 1996 the Homebuyer Education Initiative (HBEI) was established. Through HBEI, THDA works closely with participating agencies (HBEI providers) to insure they are dedicated to providing professional, affordable, high-quality, effective homeownership education and counseling services to Tennessee consumers.

While these Agencies may or may not be HUD-approved counselors, they are committed to THDA's HBEI Program Agreement established to promote standards and policies that are based on national best practices. Additionally these agencies participate in periodic program reviews. The agencies also report programming outcome data to THDA that is utilized by our Research Division.

Recently it was brought to our attention that there may be a misunderstanding on THDA's education requirement. THDA accepts Pre-Purchase certificates from our HBEI Providers **and** any HUD-approved housing counseling agency (<https://www.hud.gov/findacounselor>).

THDA Approved HBEI Providers list, look up by county can be found on our website here: <https://resources.thda.org/OAandHBEweblist/HBEIlist1.aspx>

Thank you for your continued participation in THDA's mortgage programs.



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Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: March 14, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: **Interest Rate Change**

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THDA would like to announce that **effective Thursday, March 22, 2018**, the interest rate on the Great Choice Loan Program applications will be increased to 4.625%. Based on this rate, the Homeownership for the Brave Loan Program will increase to 4.125%

All loan applications **received by THDA on or after Thursday, March 22, 2018**, must be submitted at the higher rate. All applications received by THDA **prior to March 22, 2018**, and outstanding commitments at the lower rates of 4.50% for Great Choice and 4.00% for the Homeownership for the Brave will close at those respective rates.

Thank you again for your continued support and participation in the THDA mortgage program. If you have questions, please feel free to contact [SFask@thda.org](mailto:SFask@thda.org) or call (615) 815-2100.



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Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: April 5, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: **Tax Service Fee Change**

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U.S. Bank sent out a Lender Operations Update on March 30, 2018 notifying all lenders of the change in the tax service fees charged to THDA lenders at the time of purchase. VMLS, THDA's servicing division, will also have a tax service fee change. Effective with loans purchased on April 30, 2018, the tax service fee will be increased to \$80 for all loans serviced by U.S. Bank and increased to \$75 for all loans serviced by VMLS.

THDA does not prohibit lenders from passing the tax service fee on to the consumer. If a lender imposes this fee directly on the consumer, THDA will accept the following methods of disclosing the tax service fee in either Section A or Section B on the Loan Estimate and Closing Disclosure.

Section A Lenders may incorporate the amount of the tax service fee into their Section A Origination Charges, either as part of an origination charge or itemized separately. THDA acknowledges that lenders have some discretion in labeling and structuring their origination charges. For regulatory instruction, please see official commentary to Regulation Z section 1026.37(f)(1).

Section A fees should not be labeled or disclosed as paid to U.S. Bank or VMLS, but may be labeled as an investor charge, such as Investor Tax Service fee. We will not accept Section A fees disclosed as paid to U.S. Bank or VMLS.

Section B We will accept placement of the fee in Section B of the Loan Estimate and Closing Disclosure paid to a tax service provider of the lender's choice. U.S. Bank Home Mortgage or VMLS does not provide tax monitoring services and will not accept Section B fees disclosed as paid to U.S. Bank or VMLS.

Furthermore, if the amount of an itemized tax service fee paid by the consumer at the time of closing is greater than the amount imposed on the lender by U.S. Bank or VMLS at the time the loan is purchased, a refund may be due to the consumer. Please consult your compliance staff for further advice.

Thank you for your continued participation in THDA's mortgage programs. If you have any questions, please contact [SfASK@thda.org](mailto:SfASK@thda.org) or call 615-815-2100.



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Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: July 25, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: Change in Income Limits and Targeted Census Tracts

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THDA would like to announce that **effective Wednesday, August 1, 2018**, there will be an increase in income limits for 81 counties.

These changes are reflected on the revised page 10 of the Originating Agents Guide.

All THDA loan applications received on or after August 1, 2018 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.

**Effective immediately**, seven (7) census tracts in Madison County, designated by the IRS as areas of chronic economic distress, will be added to the list of THDA Eligible Targeted Census Tracts.

Thank you for your continued participation in THDA's mortgage programs. If you have any questions, please contact [SfASK@thda.org](mailto:SfASK@thda.org) or call 615-815-2100.



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Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: September 21, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: Homebuyer Education Requirement Change

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For many years, THDA has been an advocate for pre-purchase Homebuyer Education (HBE). Currently, THDA requires HBE for all loans that receive down payment assistance and for our Homeownership for the Brave Program. HBE is the first line of defense in the foreclosure prevention arena. Informed and educated consumers are better equipped to sustain successful and healthy homeownership.

To continue our mission, "Leading Tennessee home by creating safe, sound, affordable housing opportunities", **effective October 1, 2018**, THDA will require pre-purchase HBE on all of our mortgage programs. This includes our standalone first mortgage Great Choice. All loan applications for this program must include pre-purchase certificate when submitted to THDA starting October 1, 2018. It is important to note that in addition to pre-purchase HBE, the HHF-DPA loan also requires post-purchase education.

Please remember Homebuyer Education can be provided by any approved agency that is in THDA's network or any HUD approved agency. Provider agencies may be found on the website in a [search by county format](#), however it is recommended that the [HBE Class Calendar](#) be checked for upcoming classes with firm dates and times.

Thank you for your continued participation in the THDA mortgage loan programs. If you have any questions, please call 615-815-2100 or send an e-mail to [SFask@thda.org](mailto:SFask@thda.org)



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Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: October 4, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: **Interest Rate Change**

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THDA would like to announce that **effective Monday October 15, 2018**, the interest rate on the Great Choice Loan Program applications will be increased to 4.875%. Based on this rate, the Homeownership for the Brave Loan Program will increase to 4.375%

All loan applications **received by THDA on or after October 15, 2018**, must be submitted at the higher rate. All applications received by THDA **prior to October 15, 2018**, and outstanding commitments at the lower rates of 4.625% for Great Choice and 4.125% for the Homeownership for the Brave will close at those respective rates.

Thank you again for your continued support and participation in the THDA mortgage program. If you have questions, please feel free to contact [SFask@thda.org](mailto:SFask@thda.org) or call (615) 815-2100.

Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: October 9, 2018

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

SUBJECT: **Servicing Procedures Update**

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THDA has had some challenges receiving all required documentation to purchase loans prior to the first payment due date. Loans cannot be on-boarded by our servicing division VMLS until they are purchased by THDA. **When a loan is purchased after the first payment due date, the Originating Agent (OA) is responsible for all servicing activities up to the THDA purchase date and subsequent servicer transfer effective date. This includes but is not limited to collecting payments, timely disbursement of PMI/MIP, disbursement of additional Hazard Insurance or tax payments and sending a new Goodbye Letter meeting all RESPA requirements. The OA is also expected to coordinate the service transfer effective date with VMLS.**

Effective November 1, 2018, THDA will continue to pay a Service Release Premium (SRP) of 100 bps of the loan amount on timely closed loan submissions. All closed loan packages must be received and purchased by THDA prior to the first payment due date and meet the delivery deadlines described in Section 8.2 of the OA Guide.

**Within 10 calendar days of closing, THDA must receive**

- the THDA Closed Loan Transmittal
- the original notes
- all other required initial submission documentation listed on the closing checklist

**Within 120 days of closing, THDA must receive all necessary documentation listed below**

- the recorded Deed of Trust
- Title Insurance Policy
- final inspections
- insuring/guarantee certificate

The only original document THDA needs to receive is the original note, all other documentation can be uploaded to the THDA portal, THELMA. All loans currently with outstanding conditions are subject to the above schedule.

Thank you for your continued participation in the THDA mortgage loan programs. If you have any questions, please call 615-815-2100 or send an e-mail to [SFask@thda.org](mailto:SFask@thda.org).

Ralph M. Perrey, Executive Director



**MEMORANDUM**

DATE: November 15, 2018

TO: All Originating Agents

FROM: Lindsay Hall, Chief Operating Officer of Single Family Programs

SUBJECT: **Hardest Hit Fund Down Payment Assistance Program Changes**

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US Treasury requires all states that participated in the Hardest Hit Funds (HHF) to measure the impact to the communities utilizing the funding. In the Hardest Hit Funds Down Payment Assistance (HHF-DPA), \$15,000 in down payment assistance was offered in 62 ZIP Codes that were identified based on continued stress after the mortgage recovery had begun. All HHF states are required to measure the same indicators going forward every six months in order to continue the funding where it is most needed and remove ZIP Codes that have seen a marked improvement.

In the last analysis of the HHF-DPA distress indicators, THDA found that there are 10 ZIP Codes that have seen positive results based on the current data. Therefore these 10 ZIP Codes will be removed from the HHF-DPA Program **effective January 1, 2019**.

<u>ZIP Code</u>	<u>Locality</u>	<u>County</u>
37172	Springfield	Robertson
37037	Christiana	Rutherford
37218	Nashville	Davidson
37208	Nashville	Davidson
37207	Nashville	Davidson
37877	Talbott	Jefferson
37073	Greenbrier	Robertson
37086	La Vergne	Rutherford/Davidson
38018	Cordova	Shelby
38133	Memphis	Shelby

Loan applications and purchase agreements dated prior to December 31, 2018 in the aforementioned ZIP Codes will remain eligible for HHF-DPA so long as the **loan closing occurs on or before February 28, 2019**.

In addition, THDA has not and will not receive new funds for the HHF-DPA program; instead as HHF funds are recovered THDA can request that these recovered funds be moved into the HHF-DPA Program. Most recently **recovered funds have been reallocated to the HHF-DPA program changing funds available to approximately \$13 million.** This reallocation of funds will allow THDA to continue the HHF-DPA program in 2019 until all funds are used.

The measurements indicate that the program has accomplished its goal to stabilize neighborhoods, decrease foreclosures and increase homeownership in these areas. HHF-DPA has spurred THDA loan production, but has also assisted in stimulating the housing market, as evidenced by these 10 ZIP Codes no longer meeting US Treasury requirements.



**TENNESSEE HOUSING TRUST FUND  
CREATING HOMES INITIATIVE-2 (CHI-2) PROGRAM  
PROGRAM DESCRIPTION**

In collaboration with the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), the Tennessee Housing Development Agency (THDA) is seeking creative and innovative proposals that expand permanent recovery housing options for individuals recovering from the use of opioids or opioid derivatives. The amount available is \$3.0 million in Tennessee Housing Trust Fund (THTF) resources. The purpose of this Program Description is to explain program requirements and the application process.

THDA will award funds under this program description to successful Applicants as a grant. Proposals for funding are limited to a maximum of \$500,000. There is no minimum grant amount.

THDA must receive applications under this Program Description on or before 4:00 PM CST on Thursday, February 13, 2020. THDA anticipates notifying successful applicants by April 1, 2020. The CHI-2 grant contracts will begin May 1, 2020 and will end April 30, 2023. Applicants should be aware that there is no cure period. Submission of a complete application is a threshold criterion.

The Program Description and the associated application are available at [www.thda.org](http://www.thda.org). At the THDA website, click on BUSINESS PARTNERS, then GRANT ADMINISTRATORS for links to the Creating Homes Initiative- 2 page. If you have questions, please call (615) 815-2034.

**A. OPIOID USE DISORDER & RECOVERY HOUSING**

The CHI-2 Program Description is designed to expand permanent recovery housing options across Tennessee for individuals recovering from the use of opioids or opioid derivatives, . For the purposes of CHI-2 and the CHI-2 Program Description, use of opioids or opioid derivatives may present in the form of one or more of the following observations:

1. Opioids or opioid derivatives are often taken in larger amounts or over a longer period than was intended.





2. There is a persistent desire or unsuccessful efforts to cut down or control opioid or opioid derivative use.
3. A great deal of time is spent in activities necessary to obtain the opioid or opioid derivative, use the opioid or opioid derivative, or recover from its effects.
4. Craving, or a strong desire or urge to use opioids or opioid derivatives.
5. Recurrent opioid or opioid derivative use resulting in a failure to fulfill major role obligations at work, school, or home.
6. Continued opioid or opioid derivative use despite having persistent or recurrent social or interpersonal problems caused or exacerbated by the effects of opioids or opioid derivatives.
7. Important social, occupational, or recreational activities are given up or reduced because of opioid or opioid derivative use.
8. Recurrent opioid or opioid derivative use in situations in which it is physically hazardous.
9. Continued opioid or opioid derivative use despite knowledge of having a persistent or recurrent physical or psychological problem that is likely to have been caused or exacerbated by the substance.
10. Exhibits tolerance.
11. Exhibits withdrawal.

Opioids or opioid derivatives must be a drug of choice of the individual who is the head of household or their spouse. Other immediate family members of the head of household may reside in the housing created under this program description as made available under the terms of the housing provider.

In accordance with the recommendations made under the Recovery Housing Policy Brief issued in December 2015 by the U.S. Department of Housing and Urban Development, THDA and TDMHSAS will seek permanent housing options under this program description that support individuals recovering from the use of opioids or opioid derivatives following four dimensions:

1. Health – Overcoming or managing one’s disease(s) or symptoms—for example, abstaining from use of alcohol, illicit drugs, and non-prescribed medications if an individual has an addiction problem—and for everyone in recovery, making informed, healthy choices that support physical and emotional wellbeing.
2. Home – A stable and safe place to live.
3. Purpose – Meaningful daily activities, such as a job, school, volunteerism, family caretaking, or creative endeavors, and the independence, income and resources to participate in society.
4. Community – Relationships and social networks that provide support, friendship, love, and hope.



In accordance with the Recovery Housing Policy Brief, THDA and TDMHSAS will expect all Recovery Housing programs supported under this program description to have the following defining characteristics:

- Program participation is self-initiated (there may be exceptions for court ordered participation) and residents have expressed a preference for living in a housing setting targeted to people in recovery with an abstinence focus.
- Minimal barriers exist to entry into programs, so that long periods of sobriety, clean criminal records, or clear eviction histories are not required for program entry.
- Housing generally is single-site because of the benefits of the creation of a Recovery Oriented Community, but may include other housing configurations.
- Residents have personal privacy and 24/7 access to the housing, with community space for resident gatherings and meetings.
- Holistic services and peer-based recovery supports are available to all program participants.
- Along with services to help achieve goals focused on permanent housing placements and stability, and income and employment, programs provide services that align with participants' choice and prioritization of personal goals of sustained recovery and abstinence from opioid use.
- Relapse is not treated as an automatic cause for eviction from housing or termination from a program.
- Eviction from permanent supportive housing should only occur when a participant's behavior substantially disrupts or impacts the welfare of the recovery community in which the participant resides; however, the participant may apply to reenter the housing program if they express a renewed commitment to living in a housing setting targeted to people in recovery with an abstinence focus.
- Participants who determine that they are no longer interested in living in a housing setting with an abstinence focus, or who are discharged from the program or evicted from the housing, are offered assistance in accessing other housing and services options, including options operated with harm reduction principles.
- Permanent housing programs must abide by all local and State landlord tenant laws that govern grounds for eviction.



## B. ELIGIBLE APPLICANTS

THDA will accept applications from private, non-profit organizations and local public housing authorities that meet the requirements of this Program Description (“Applicant”).

The Applicant selected for funding must be the owner of the proposed rental project at award. If combined with the Low Income Housing Credit (LIHC), the Grantee must be the sole general partner or the sole managing member of the ownership entity or own 100% of the stock of a corporate ownership entity.

All private, non-profit organizations must submit *Attachment One: Non-Profit Checklist* with supporting documentation. All private, non-profit organizations must be organized and existing in the State of Tennessee (as evidenced by a Certificate of Existence from the Tennessee Secretary of State, dated no more than 30 days prior to the application date) or, if organized and existing in another state, be organized and existing under the laws of that state and be qualified to do business in Tennessee (as evidenced by a Certificate of Existence from that state’s Secretary of State dated no more than 30 days prior to the application date and by a Certificate of Authorization to do business in Tennessee from the Tennessee Secretary of State, dated no more than 30 days prior to the application date).

All private, non-profit Applicants must demonstrate at least two years of experience providing affordable housing or affordable housing related services in the state of Tennessee. Affordable housing related services that will assist or sustain an individual in permanent housing, including but not limited to, the provision of down payment assistance; home buyer education; and the delivery of shelter and related services for individuals recovering from the use of opioids or opioid derivatives, the homeless, and other special needs populations which improve the housing stability of assisted households.

Applicants with prior THDA THTF Competitive Grants must also have *requested* the following percentages of their prior grants by January 9, 2020 to be eligible for the CHI-2 program:

COMPETITIVE GRANT YEAR	SPEND DOWN REQUIREMENT
2017 Spring and earlier	100%
2018 Fall	75%
2018 Spring	50%
2019 Fall	25%
2019 Spring	10%
2020 Fall	Not Eligible

To meet the “requested” threshold criteria, THDA must have received an official, complete Request for Payment Form with supporting documentation from an Applicant with a prior Competitive Grant.



## C. ELIGIBLE ACTIVITIES

All housing financed using CHI-2 resources must be affordable rental housing and must address the housing needs of households who have an income that is equal to or less than 80% of AMI as defined in Section F (4).

The following rental housing activities are eligible:

- New construction of rental housing units.
- Acquisition of rental housing units.
- Rehabilitation of rental housing units.
- Conversion of non-residential buildings to residential units.
- Combinations of the above.

The rental housing provided must be “permanent”, meaning the housing is community-based and with a tenant on a lease (or a sublease) for an initial term of at least one month and that is renewable and is terminable only for cause.

All Applicants shall complete *Attachment Two: Rental Housing Feasibility Worksheet* to demonstrate a need for the CHI-2 funds and the financial feasibility of the project.

## D. PROHIBITED ACTIVITIES

An Applicant may not use the CHI-2 resources for any of the following:

1. Develop transitional housing.
2. Pledge CHI-2 funds as support for tax-exempt borrowing by local grantees.
3. Provide off-site improvements or neighborhood infrastructure or public facility improvements.
4. Provide assistance to private, for-profit owners of rental property.
5. Implement homeowner rehabilitation projects.
6. Implement homeownership related activities, including down payment assistance programs, the development of units for homeownership, or homeowner rehabilitation projects.
7. Acquire, rehabilitate or construct rental housing that is a treatment, hospice, nursing home, or convalescent facility.
8. Use funds to provide Project Operating Reserves



9. Cover any costs incurred prior to the CHI-2 contract start date or after the end date of the grant agreement.
10. Use of Tennessee Housing Trust Fund Competitive Grants Program resources for any costs associated with the project.

## **E. MATCH**

Proposals are not required to match the CHI-2 funds awarded. However, THDA will prioritize those applications that include firm documentation of eligible match sources to the CHI-2 funds awarded.

### **Eligible Sources of Match Include:**

1. Grants from other agencies.
2. Federal sources such as USDA Rural Development, state or locally administered Community Development Block Grant (CDBG) programs, or HOME grants from local participating jurisdictions.
3. Federal Home Loan Bank.
4. Cash Contributions by local church groups, local agencies, or contributions by individuals.
5. Bank loans.
6. A funding pool established by a local lender for the applicant.
7. Value of the supportive services provided to the individuals recovering from the use of opioids or opioid derivatives over the length of the applicable compliance period, provided that such supportive services are provided at no cost to the tenant.
8. Rental assistance tied to the property. To be eligible, the commitment of rental assistance must extend beyond the end of the grant term. For purposes of application scoring, THDA will only count that value of rental assistance after the date of the certificate of occupancy issued for the last building occupied.
9. The value of property owned by the Applicant prior to the grant term and upon which the proposed housing will be rehabilitated or constructed.

### **Ineligible Sources of Match:**

1. THDA program funds, including federal funding sources such as HOME or the National Housing Trust Fund or the Tennessee Housing Trust Fund financed Competitive Grants Program.
2. In-kind donations, services, or labor.



## F. PROGRAM REQUIREMENTS

### 1. COMPLIANCE PERIOD REQUIREMENTS

All rental housing projects funded under this program description shall have a compliance period that begins on the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the compliance period will begin on the date of recordation of the notice of completion for the project. With the exception of incurring costs associated with property acquisition, the Grantee shall sign a grant note, deed of trust, and restrictive covenant to enforce the compliance period on a property prior to incurring any costs associated with project development. In no case shall the Grantee draw any CHI-2 funds on a subject property prior to signing a grant note, deed of trust and restrictive covenant to enforce the compliance period on that property. THDA will forgive the CHI-2 grant at the end of the compliance period if the Grantee achieved full compliance throughout the compliance term.

The length of the compliance period will be determined based on the amount of CHI-2 funds invested per unit:

Average Per Unit CHI-2 Investment	Compliance Period
< \$15,000	5 Years
\$15,000 – \$40,000	10 Years
> \$40,000	15 Years

During the compliance period, the Grantee will have on-going obligations for the operation of the rental property, including:

- Conducting initial and annual income certification of tenants;
- Adhering to the CHI-2 rent limits;
- Complying with THDA Property Standards;
- Adhering to fair housing and affirmative marketing requirements;
- Operating the units as recovery housing for individuals recovering from the use of opioids or opioid derivatives as described in this program description;
- Reporting to THDA as THDA may require; and,
- Taking other actions as THDA may require.

### 2. CRIMINAL BACKGROUND REQUIREMENTS

Grantees shall follow HUD regulations on the provision of housing for ex-offenders. HUD regulations prohibit housing assistance to the following groups of ex-offenders:



- A. Ex-offenders who have been evicted from federally-assisted housing for drug-related criminal activity with an effective date of eviction within the last three (3) year period.
- B. An ex-offender household that includes a member who has ever been convicted of a drug-related criminal activity involving the manufacturing or production of methamphetamines on the premises of federally-assisted housing.
- C. An ex-offender household that includes a member who is subject to a lifetime registration requirement under a state sex offender registry program.

### 3. DEVELOPER FEE REQUIREMENTS

Applicants may request a developer fee equal to or less than 7.0% of total CHI-2 grant request less any costs associated with the developer fee, acquisition, and permanent financing. If the applicant proposes other funds for the project, the total developer fee earned for the project may not exceed 15% of the total development cost less any costs associated with the developer fee, acquisition, and permanent financing.

The developer fee may be requested in equal percentages of the total CHI-2 grant funds requested up until 75% of the grant has been expended. The final 25% of the developer fee may not be requested until project development is complete, with all certificates of occupancy issued and all required documentation submitted to THDA.

No administrative funds will be provided under this program description.

### 4. INCOME LIMIT REQUIREMENTS

CHI-2 Grants for rental projects may be used to benefit low income households, meaning an individual or family unit whose gross annual income does not exceed 80% of the area median income, adjusted for family size.

Grantees shall use the income limits established by the U.S. Department of Housing and Urban Development for the HOME Program, and household income as defined by the Section 8 Rental Assistance Program. Current limits are in *Attachment Three: Income Limits*. The income of the household to be reported for purposes of eligibility is the sum of the annual gross income of the beneficiary, the beneficiary's spouse, and any other household member residing in the home or rental unit. Annual gross income is "anticipated" for the next 12 months, based upon current circumstances or known upcoming changes, minus certain income exclusions.

Grantees shall ensure occupancy of units by low-income households during the compliance period. Tenants whose annual incomes increase to over 80% of the area median may remain in occupancy, but must pay no less than 30% of their adjusted monthly income for rent and utilities.





## 5. PROPERTY STANDARD REQUIREMENTS

Any rental units constructed or rehabilitated with CHI-2 funds must meet THDA Design Standards for New Construction or Rehabilitation, as applicable. Additionally, all housing must meet all applicable local codes, rehabilitation standards, and zoning ordinances at the time of project completion.

In the absence of local codes, new construction of multi-family apartments of 3 or more units must meet the State-adopted edition of the International Building Code; new construction of single-family rental units or duplexes must meet the State-adopted edition of the International Residential Code for One- and Two-Family Dwellings; and rehabilitation of existing rental units must meet the State-adopted edition of the International Existing Building Code.

All contractors performing work on THTF assisted units must be appropriately licensed for the type of work being performed.

Following project completion, all assisted properties must meet Housing Quality Standards throughout the compliance period.

**Building Permits.** The Grantee must ensure that building permits are pulled on all new construction and rehabilitation projects as required by the state or local jurisdiction, including mechanical, plumbing, and or electrical permits.

**Energy Code.** New construction projects must also meet the current edition of the International Energy Conservation Code.

**Inspections.** All rehabilitation or new construction work must be inspected by a licensed inspector based on the rules applicable for the local jurisdiction in which the units are located. Licensed inspectors are certified by the Tennessee Department of Commerce and Insurance – State Fire Marshal’s Office.

If a building permit is issued by a local jurisdiction or the state, inspection by a state certified inspector of that jurisdiction is required.

If the work is exempted by the state or local code and a permit is not required, then documentation from state or local code officials must be provided confirming that exemption. If exempted, a qualified inspector may be used. A “qualified inspector” is defined as an individual with credentials appropriate for the type of work being performed, such as inspectors licensed by the State of Tennessee as Building, Mechanical, Plumbing, or Electrical Inspectors.

For an activity where the state or local code officials do not issue a building permit, a qualified inspector may include home inspectors as appropriate for the work performed, including individuals certified as a housing inspector by a national organization such as the International Code Council, the National Fire Protection Association, or the Standard Building Code





Congress. THDA may accept other qualifications on a case-by-case basis; however, THDA approval is required before the individual may perform inspections.

**Visitability.** THDA will award additional points for applications that propose newly constructed single-family or multi-family projects that include design features to make the units visitable by individuals with physical disabilities. These options include a step-free entrance, free passage of 32-36" for interior/exterior doorways, and easy use by individuals confined to a wheelchair. Further information about visitability may be found at [www.visitability.org](http://www.visitability.org).

**Universal Design.** THDA will award additional points for applications that incorporate features that meet the needs of the greatest number of residents within a community. Universal design differs from accessible design, which is primarily intended to meet the needs of persons with disabilities. Universal design, however, is inclusive of adaptable design as universal design incorporates structural features that will allow a residence to be adapted to an individual's current or future needs. Universal design features include, but are not limited to:

- Stepless entrances
- Minimum 5' x 5' level clear space inside and outside entry door
- Broad blocking in walls around toilet, tub and shower for future placement of grab bars
- Full-extension, pull out drawers, shelves, and racks in base cabinets in the kitchen
- Front mounted controls on all appliances
- Lever door handles
- Loop handle pulls on drawers and cabinet doors

More information on Universal Design may be found at The Center for Universal Design at North Carolina State University:

[https://projects.ncsu.edu/ncsu/design/cud/pubs\\_p/docs/UDinHousing.pdf](https://projects.ncsu.edu/ncsu/design/cud/pubs_p/docs/UDinHousing.pdf)

## **6. RENT REQUIREMENTS**

Every rental unit assisted with CHI-2 funds is subject to rent controls designed to make sure that rents are affordable to low-income households. Unless the housing is a group home or a Single Room Occupancy (SRO) unit, the maximum rents are the *High HOME rents*. The maximum rent for a Group Home or a SRO unit is defined below.

However, Grantees are encouraged, but not required, to charge tenants no more than 30% of gross monthly income for rent. See *Attachment Four: HOME Program Rents*.

Rents are controlled for the length of the compliance period, and may be adjusted annually in accordance with the applicable HUD standard. The published rents include utilities. *The cost*



*of utilities paid by tenants must be subtracted, using applicable utility allowances, from the published HOME rents to determine the maximum allowable rents.*

Each Grantee should be aware of the market conditions of the area in which the project is located. The High HOME rents are maximum rents which can be charged. Each project should show market feasibility not based upon the High HOME rents, but rather upon area housing markets and CHI-2 occupancy requirements. Rents shall not exceed the published High HOME rents as adjusted for utility arrangements and bedroom size. However, because these rents must also be attractive to *low-income* tenants, actual rents may be lower than the High HOME rents to keep within 30% of the tenant's monthly income. The Grantee should design the development's rent structure to consider the market feasibility of the project.

A CHI-2 Grant may fund the development of a group home, a housing unit that is occupied by two or more single persons or families. A group home consists of common space and/or facilities for group use by the occupants and, except in the case of a shared one-bedroom unit, a separate private space for each individual or family. The calculation of the applicable rent and tenant contributions must follow the following requirements:

- A CHI-2-assisted group home is treated as a single CHI-2-assisted housing unit with multiple bedrooms. The rent limit for a group home is the HUD-published Fair Market Rent (FMR) rent limit for the total number of bedrooms in the group home.
- However, the bedrooms of live-in supportive service providers or other non-client staff are not included when calculating the total number of bedrooms for the purpose of establishing the rent. For example, if one bedroom in a four-bedroom home is occupied by a service provider, the maximum rent for the group home is the HUD-published FMR Limit for a three-bedroom unit.
- The HUD-published FMR Limit is the maximum combined rent that can be charged to all income eligible tenants residing in the group home. Each tenant pays a pro-rata share of the total rent.
- When group home tenants pay directly for utilities, the utility allowance must be subtracted from the HUD-published FMR limit in order to determine the maximum combined rent that can be charged to all tenants.
- Group homes frequently include food and/or other supportive services to its residents. Group home rents may not include food costs or the costs of supportive services. Costs for such services must be billed as separate charges. For group home units that are developed for persons with disabilities, disability-related services must be non-mandatory and the resident must have the option to choose the service provider. The lease must also state whether the fee-based services are optional or mandatory and must identify the amount of the additional fees or surcharges separately from the basic THTF rent for each tenant. The applicable State agency must approve in writing the costs of food and supportive services to be provided.



A CHI-2 Grant may assist with the development of Single Room Occupancy (SRO) housing, which consists of a single room dwelling unit that is the primary residence of a single occupant. The unit may or may not have food preparation and sanitary facilities. Rents for SRO units are based on the HUD Fair Market Rent (FMR) or the HUD High HOME rent depending on the characterization of the unit as described below.

IF THE SRO HOUSING IS....	THEN...
A unit with <i>neither</i> food preparation nor sanitary facilities, or with one (food preparation or sanitary facilities)	The CHI-2 rent may not exceed 75% of the HUD-published FMR limit for a 0-bedroom (efficiency) unit.
A unit with <i>both</i> food preparation and sanitary facilities	The CHI-2 rent cannot exceed the HUD published High HOME rent limit for a 0-bedroom unit.
A unit that receives state or Federal <i>project-based</i> rental assistance and is occupied by a very low income tenant	The CHI-2 rent can be the applicable State or Federal project-based rent, as long as the unit is occupied by a very low income tenant who does not pay more than 30% of the family's monthly adjusted income for rent.

The calculation of the applicable rent and tenant contributions must adhere to the following requirements:

- Utility costs are included in the maximum published HOME or FMR SRO rent. If SRO tenants pay directly for utilities, the utility allowance must be subtracted from the HUD-published HOME rent limit or FMR limit in order to determine the maximum rent that can be charged for the SRO unit.
- SRO units may not include food costs or the costs of any supportive services. Costs for such services must be billed as separate charges. For SRO units that are developed for persons with disabilities, disability-related services must be non-mandatory and the resident must have the option to choose the service provider.
- Each SRO tenant's lease must clearly state whether the fee-based services are optional or required and must also identify the amount of additional fees or surcharges separately from the basic CHI-2 rent for each tenant. The applicable State agency must approve in writing the costs of food and supportive services to be provided.

## G. PROCUREMENT REQUIREMENTS

It is important to keep the solicitation of bids for goods and services, materials, supplies and/or equipment open and competitive. Grantees shall develop and follow the established procurement policies of the Grantee. At a minimum, the Grantee must have or establish a selection procedure that requires the Grantee to obtain at least three (3) bids and to purchase the goods or services from the lowest or best bidder. The Grantee must have a written rationale for selecting the successful bid or proposal.



## **H. MARKETING REQUIREMENTS**

One goal of CHI-2 is to raise the profile of affordable housing at the local, state and federal level, and to demonstrate that decent housing impacts all facets of a community. Each Grantee shall implement marketing and public relations plans to accentuate program achievements. THDA's Communications Division will assist the Grantee to develop these plans if requested. The Grantee shall submit data and beneficiary stories to THDA as may be required by THDA.

## **I. FAIR HOUSING AND EQUAL OPPORTUNITY REQUIREMENTS**

Each Grantee shall comply with both state and federal laws regarding fair housing and equal opportunity (FHEO). FHEO requirements have been developed to protect individuals and groups against discrimination on the basis of: race, color, national origin, religion, age, disability, familial status, or sex.

In particular, owners and property managers will need to be aware of discrimination issues with regard to: housing opportunities, employment opportunities, business opportunities, and benefits resulting from activities funded in full or in part by the CHI-2 Grant.

Each Grantee shall establish and follow procedures to inform the public and potential tenants of FHEO and the Grantee's affirmative marketing program. Grantees shall establish and follow procedures by which Grantees will solicit applications from potential tenants. Grantees shall maintain records of efforts to affirmatively market rental units, including those with limited English proficiency. Grantees shall provide evidence of all of the above at the request of THDA.

## **J. AFFORDABLE HOUSING LOCATOR SYSTEMS**

Beginning at the start of initial lease-up through the end of the compliance period, all Grantees shall list units available for occupancy on both:

1. TNHousingSearch.org or any subsequent affordable rental housing locator system sponsored by THDA, and
2. Recovery within Reach (<http://www.recoverywithinreach.org/housingwithinreach/>) or any subsequent affordable rental housing locator system sponsored by TDMHSAS.

## **K. APPLICATION AND EVALUATION PROCEDURE**

Respondents should only limit the design of the recovery housing for individuals recovering from the use of opioids or opioid derivatives by the terms of the CHI-2 Program Description, the availability of matching sources and support services, and the need in a given area for the proposed project.



THDA and TDMHSAS will evaluate each application to determine if the proposal meets program criteria, including, without limitation, submission of a complete application, proposal of an eligible activity that serves individuals recovering from the use of opioids or opioid derivatives, and proposal of a project that in the opinion of THDA, in its sole discretion, is physically, financially and administratively feasible.

THDA will not consider applications if the applicant fails to submit the following threshold items by the application due date and in accordance with the documentation submission instructions:

- Application signed by the organization's Chief Executive or President/Chairman of the Board of Directors.
- Copy of the latest audit or audited financial statement of the organization.
- Copy of a current resolution by the Board of Directors or governing body approving the submission of the application under the CHI-2 Program Description.
- If a non-profit organization, a Certificate of Existence or Certificate of Authorization from the Tennessee Secretary of State, as applicable, dated within 30 days of the application date. If the non-profit organization is organized in a state other than Tennessee, a Certificate of Existence from the Secretary of State in which the organization was organized must also be submitted.
- If a nonprofit organization, documentation of an IRS designation under Section 501(c)3 or Section 501(c)4 of the federal tax code.
- If a nonprofit organization, copy of the Charter and By-laws of the organization.

Additionally, all nonprofit organizations must upload through THDA's Participant Information Management System (PIMS) those organizational documents required to be uploaded through PIMS. Copies of organizational documents that are required to be submitted through PIMS, but are submitted through another means, will not be considered.

The Review Committee will score and rank all applications meeting the threshold criteria, as determined by the Review Committee in its sole discretion. Applications will be ranked in descending numerical order based on the categories in the CHI-2 Scoring Matrix.

Applicants must receive a minimum score of 60 to be considered for funding.

In the event of a tie score, THDA first will select the application with the highest Project Design score and then, if a tie still remains, the highest total Applicant Capacity score. If a tie still remains, THDA will prioritize funding for the application with the greatest number of CHI-2 funded units as the final determinant.

The Review Committee will present its recommendations to the THDA Executive Director for determination of awards.



## CHI-2 SCORING MATRIX – UP TO 100 POINTS

PROJECT DESIGN:		40 POINTS
<ul style="list-style-type: none"> <li>The program design is complete, adheres to program guidelines, all necessary components are identified in the application, and demonstrates an effective use of THDA resources.</li> </ul>		
1. Site Control – Up to 3 points	The Applicant owns the property on which the proposed housing will be developed.	3 Points
	The Applicant has an option or contract to purchase the property on which the proposed housing will be developed.	2 Points
	The Applicant demonstrates a consistent and successful history of securing ownership control of property over the past five years prior to the Application Due Date that equals either: (1) the number of single family units proposed in the application or (2) if multifamily housing, the number of multifamily sites proposed for acquisition in the application.	1 Point
2. The project is physically, administratively, and financially feasible with sufficient revenue for the on-going operation of the housing during the compliance period – Up to 10 points	<p>The project feasibility worksheet is completed correctly and demonstrates that operating revenue supports operating expenses and expected cash flow is positive.</p> <p>The physical unit design is appropriate for the target population such that all individuals, including those with physical disabilities, have full access to all common areas and amenities in the unit.</p> <p>If site control has been established, the proposed housing meets local zoning requirements, if applicable.</p>	Up to 10 points
3. Rent Reasonableness – Up to 5 points	Rents are affordable, such that households targeted by the application who suffer from the use of opioids or opioid derivatives will not pay more than 30% of their income on rent and utilities.	Up to 5 points
4. Match – Up to 3 points	The application demonstrates firm commitments of match greater than or equal to 25.0% of the CHI-2 grant request.	3 points
	The application demonstrates firm commitments of match between 15.0% - 24.99% of the CHI-2 grant request.	2 points
	The application demonstrates firm commitments of match between 5.0% - 14.99% of the CHI-2 grant request.	1 point



<p>5. Universal Design – Up to 4 points</p>	<p>The unit includes universal design features associated with each unit. THDA will award points for the characteristics noted below. Item “a” is worth (3) points. All other items are worth (1) point each. The maximum number of points under this category is 4.</p> <ul style="list-style-type: none"> <li>a. One entrance door that is on an accessible route served by a ramp or no-step entrance and which also has a 36” door.</li> <li>b. All interior doors have a minimum of 32 inches of clear passage space except closets of less than 15 square feet.</li> <li>c. All hallways have a clear passage of at least 36 inches, is level with ramped or beveled changes at each threshold.</li> <li>d. Each electrical panel, breaker box, light switch or thermostat is no higher than 48 inches above the floor.</li> <li>e. Each electrical plug or receptacle is at least 15” above the floor.</li> <li>f. Minimum 5’ x 5’ level clear space inside and outside entry door.</li> <li>g. Broad blocking in walls around each toilet, tub and shower for future placement of grab bars.</li> <li>h. Full-extension, pull-out drawers, shelves and racks in base cabinets in kitchen.</li> <li>i. Front mounted controls on all appliances.</li> <li>j. Lever door handles on all doors.</li> <li>k. Loop handle pulls on drawers and cabinet doors.</li> </ul>	<p>Up to 4 points</p>
<p>6. Support Services – Up to 10 points</p>	<p>The application includes firm commitments demonstrated in the application that a range of support services will be available that will enable the tenant to meet each of the Health, Purpose and Community dimensions of their recovery as described in Section A – Recovery Housing of this program description. Services are available at the choice of the applicant.</p> <p>If housing will be provided to include family members of the individual in recovery, support services are available to each household member to foster their long-term success in the recovery from the use of opioids or opioid derivatives.</p>	<p>Up to 10 points</p>
<p>7. Innovation – Up to 5 points</p>	<p>The housing proposed in the application demonstrates a creative approach to affordable rental housing for low income households recovering from the use of opioids or opioid derivatives.</p>	<p>Up to 5 points</p>





APPLICANT CAPACITY		40 POINTS												
<ul style="list-style-type: none"><li><i>The Applicant demonstrates sufficient capacity to carry out the proposed project and to manage the permanent rental housing through the compliance period.</i></li></ul>														
1. Housing Development & Housing Service Delivery Experience – Up to 14 points	The Applicant, including its staff or contracted consultants, has successful experience with rental housing development.  The Applicant, including its staff, has successful experience in the delivery of housing related services.	Up to 14 points												
2. Housing Management Experience – Up to 14 points	<div>The Applicant, including its staff or a contracted, third party property management entity, has successful experience with the management of affordable rental housing.</div> <table><tr><th>Years</th><th>Points</th></tr><tr><td>1-3</td><td>3</td></tr><tr><td>4-6</td><td>6</td></tr><tr><td>7-9</td><td>9</td></tr><tr><td>10-12</td><td>12</td></tr><tr><td>13 Years and Over</td><td>14</td></tr></table>	Years	Points	1-3	3	4-6	6	7-9	9	10-12	12	13 Years and Over	14	Up to 14 points
Years	Points													
1-3	3													
4-6	6													
7-9	9													
10-12	12													
13 Years and Over	14													
3. Financial Capacity of the Applicant – Up to 12 points	The Applicant’s financial statement demonstrates that the Applicant has a strong financial health, including, but not limited to, a diverse source of revenues, unrestricted cash resources to support the property’s operation if project income is insufficient to meet project expenses. The Applicant’s financial audit does not demonstrate material exceptions or concerns about management and operation.	Up to 12 points												
4. Past Performance – Up to 8 points deduction	<div>Applicants with past experience as a recipient of funds under THDA’s Competitive Grants Program, National Housing Trust Fund Program, Neighborhood Stabilization Program, or HOME Program may receive a point deduction based on the Applicant’s past failure to:</div> <ul style="list-style-type: none"><li>Draw funds timely and according to instructions.</li><li>Complete the project in accordance with requirements.</li><li>Operate the rental housing in accordance THDA guidelines over the compliance period.</li><li>Respond timely to resident complaints, contractor concerns, and THDA requests for information and documentation.</li></ul>	Up to 2 points deduction for each concern												





COMMUNITY SUPPORTS		14 POINTS
<ul style="list-style-type: none"> <li><i>The Applicant proposes housing in a county with health, purpose, and community dimension supports necessary for an individual's successful recovery from the use of opioids or opioid derivatives.</i></li> </ul>		
1. Purpose & Community - Up to 7 points	<p>The Applicant proposes housing in a county that has an unemployment rate equal to or less than the statewide unemployment rate.</p> <p>OR</p> <p>The Applicant proposes housing in a county with an unemployment rate higher than the statewide unemployment rate and the Applicant demonstrates that partnerships are established to link tenants of the proposed housing to employment.</p>	Up to 7 points
2. Health – Up to 7 points	The Applicant proposes housing in a county or adjacent county in which a drug & alcohol treatment center or a mental health treatment is located.	Up to 7 points
<b>NEED</b>		<b>6 POINTS</b>
<ul style="list-style-type: none"> <li><i>The Applicant proposes housing in a county evidencing a high need.</i></li> </ul>		
1. Opioid Use Prevalence – 4 points.	The Applicant proposes housing in a county with a high prevalence of opioid use.	4 points
2. Economic Status Designation – 2 points	For FY2020, the Appalachian Regional Commission designates a county in which the housing will be located as either Economically Distressed or At Risk.	2 points

