

## THDA LENDER NOTICE: #2024-14

April 10, 2024

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**SUBJECT: General Originating Agent Guide Updates**

### **Great Choice Plus – No Payment**

THDA has updated the guide to reflect up to \$6,000 for the deferred payment Down Payment Assistance loan option.

### **Principal Reduction – Page 48**

THDA discourages Principal Reductions (PR). However, we understand there are times they cannot be avoided, for example when an error occurs, and it is utilized for a cure. PR is limited to 1% of the loan amount, not to exceed \$1,500. PRs are netted from the loan purchase.

If the PR is due to too much DPA funds being used, please reduce the second mortgage loan amount. Submit the following documentation in the closed loan submission package when reducing the second mortgage loan amount; updated URLA, updated transmittal (or analysis) and updated AUS findings.

New commitment for second mortgage is not required prior to closing if reducing second mortgage at closing, new commitment will be delivered once it is updated in THELMA. Enforceable Obligation Letter has been updated to reflect “Up to”, which is the maximum of the DPA approval. The revised commitment will reflect the DPA that matches the final CD.

### **Shipping Address Change – Page 45**

THDA changed the address for the delivery of all original mortgage notes and original recorded Deeds of Trust last summer, in preparation for our Servicing Department’s move to our building. If the below address has not been updated, please update immediately to prevent delays in purchasing your loans and/or the payment of Service Release Premiums (SRP).

THDA  
Attn: SFLO Closing Dept  
502 Deaderick Street, 3rd Floor  
Nashville, TN 37243

The physical address for VMLS is the same as the above shipping address.

### **Title Commitments- Page 38, 44**

Title commitments must be provided to determine if applicants or spouse of applicants have any tax liens or judgements. If a person is not listed on the title commitment, they should not be listed on the Warranty Deed. Only applicants and their spouse can be listed on title.

**Warranty Deed – Page 44**

The Warranty Deed must convey the property to the borrower(s) and their spouse as indicated on the sales contract and Title Commitment. Borrower(s) and their spouse listed on the Warranty Deed must also be listed on the Title Commitment. A grantee on the Warranty Deed not named in the title commitment will void a THDA commitment, therefore the loan will be ineligible for purchase.

**Use of MERS System**

MERS is required for both the first and second mortgages. Transfers should be completed timely.

**Purchase Deadlines – page 38, 67**

Loans not purchased by day 100 from rate lock for existing construction and 150 for new construction are subject to cancellation or repricing.

**HFA Advantage Hazard Insurance**

Please refer to Freddie Mac's bulleting 2024-1 for adequacy and availability of insurance. This affects Guide Sections 4703.2 and 4703.3 of the Freddie Mac Seller/Servicer Guide for mortgages with application dates on or after June 1, 2024, but lenders are encouraged to implement immediately.