

## THDA LENDER NOTICE: #2021-09

May 7, 2021

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### **SUBJECT: Quality Control Plan and Early Payment Default**

Effective June 1<sup>st</sup>, THDA will be requiring Early Payment Default (EPD) reviews to be provided according to the Quality Control Plan on record for each Originating Agent (OA). EPD are all mortgages that become 60 Days delinquent within the first six payments. This will apply to all THDA mortgage loan products. EPD reviews will be handled in-house for THDA's New Start Program.

On the first day of each month, THDA is automatically notified of the loan files selected by THDA's Servicing Department that are considered EPD. The monthly report will be provided to the OA no later than the 5<sup>th</sup> of the month. The EPD must be reviewed within 60 days from the date notified by THDA. THDA will require a copy of the EPD review and any corrective actions taken as a result of review findings.

To prepare for the new requirement, THDA will need you to identify a representative from your organization that will be responsible for EPD. If THDA does not receive this information, the main contact person on file will be considered responsible for EPD. Please provide the point of contact information to Tikisha Wilson, at [twilson@thda.org](mailto:twilson@thda.org).

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