

THDA LENDER NOTICE: #2021-15

August 13, 2021

SUBJECT: Down Payment & Closing Cost Assistance Update

Effective Monday, September 13, 2021, THDA will be implementing program changes to the Great Choice Plus and GC97 Plus mortgage loan programs. This will affect all rate locks beginning on September 13, 2021.

THDA will be offering two second mortgage loan program options available across the entire state, regardless of the sales price, as long as it meets THDA's acquisition limits.

Great Choice Plus-Deferred/GC97 Plus -Deferred (no payment) terms:

- Loan Amount is equal to \$6,000
- 0% interest rate
- 30 year term, due on sale or refinance
- Deferred payments, therefore no payment for qualifying purposes
- Second mortgage loan will be locked simultaneously with the first mortgage, key words in program description for a successful lock "No Payment".

Great Choice Plus-Payment and GC97 Plus-Payment terms:

- Loan Amount is 6% of the sales price
- 15 year amortizing
- Interest rate is the same as the first mortgage
- Monthly payment must be considered in the debt ratio
- Second mortgage loan will be locked simultaneously with the first mortgage, key word in program description for a successful lock "Payment".

The current DPA options of \$6,000 and \$7,500 will be suspended from rate lock capability as of the close of business on Friday, September 10th. All loans that are currently locked in THDA's loan portal must close with the existing terms as outlined in the rate lock confirmation. Please provide a copy of this notice to your Information Technology department to prepare for any required system changes to your loan origination system.

THDA along with other Housing Finance Agencies have been working with Freddie Mac on a standardized project for legal closing documentation for subordinate liens. The intent is to standardize documents for our lending partners that work with multiple Housing Finance Agencies. We should have those documents by the end of the month, and we will implement the standardized legal subordinate documents with the program changes.