

Ralph M. Perrey, Executive Director



**ORIGINATING AGENTS GUIDE
REVISION 109**

February 18, 2016

Remove and discard:

Replace with enclosed:

Page 3 (Revised 05/26/2015) Page 3 (Revised 02/18/2016)

EFFECT OF CHANGE

Effective Monday, **February 22, 2016**, the interest rate on all Great Choice Mortgage Loan applications will be reduced to **3.99%**. Based on this rate the Homeownership for the Brave Loan Program will be **3.49%** for eligible applicants. All loan applications, including electronic submissions, received on or after **February 22, 2016** must be submitted at the new rate.

All Great Choice applications received by THDA prior to February 22, 2016, and outstanding commitments at the rate of **4.1%** for Great Choice and **3.6%** for Homeownership for the Brave, remain in effect and the respective loan must close at those rates.



Originating Agents Guide

JANUARY 2014

Latest Revision: 2/18/16

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 downpayment and closing cost assistance to a maximum of 4% of the purchase price at a 0% interest rate, 15 year deferred, forgivable 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%.

Maximum Household Income	Varies by county
Maximum Acquisition Cost (Including all incidentals)	Varies by county
Maximum LTV	Subject to FHA, VA, and USDA/RD Guidelines. Conventional Loans 78% LTV or less.
Interest Rate	3.99% fixed rate, subject to change
Loan Term	30 years
Loan Types	FHA, VA, USDA/RD, Conventional
Mortgage Insurance or Guarantee	As required by loan type
Buydowns	Not allowed
Assumable	Subject to qualifying
Pre-Payment Penalty	No penalty
Subject to Recapture	Yes
Required Reserve	As required by loan type
Minimum Investment	As required by loan type
Closing Costs	May come from borrower, seller, a gift, or as required by loan type
Down Payment	As required by loan type
First Time Homebuyer Rule	Borrower must not have an interest in their primary residence within 36 months of application unless 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.)
Homebuyer Education	Not required
Origination Fee	Up to 2% maximum
Discount Point	Up to .25