

**ORIGINATING AGENTS GUIDE  
REVISION 113**

June 7, 2016

**Remove and discard:**

**Replace with enclosed:**

Page 10 (Revised 06/11/16(2) ) .....	Page 10 (Revised 06/11/16(3) )
Page 28 (Revised 05/23/16) .....	Page 28 (Revised 06/11/2016)
Page 45 (Revised 09/22/15) .....	Page 45 (Revised 06/11/2016)
Page 47 (Revised 05/23/16) .....	Page 47 (Revised 06/11/2016)

**EFFECT OF CHANGE**

Effective Saturday, June 11, 2016, the Household Income Limits increase for 22 Tennessee counties:

- |          |            |
|----------|------------|
| Marion   | Loudon     |
| Anderson | Maury      |
| Blount   | Robertson  |
| Bradley  | Rutherford |
| Cannon   | Sequatchie |
| Cheatham | Sumner     |
| Davidson | Tipton     |
| Dickson  | Trousdale  |
| Fayette  | Union      |
| Hamblen  | Williamson |
| Knox     | Wilson     |

All THDA loan applications received on or after June 11, 2016 will be considered in accordance with these new Household Income Limits.

Page 10 is revised to reflect correct income limits for all counties.

Page 28 contains revised language in item C.

Page 45 contains revised language in item D.

Page 47 contains revised language in item O.





# **Originating Agents Guide**

**JANUARY 2014**

Latest Revision: 6/11/16

## D. Current Acquisition Cost Limits By MSA\*/County

Counties	Acquisition Cost Limits	Household Income Limits		Counties	Acquisition Cost Limits	Household Income Limits	
		1-2 Persons	3 + Persons			1-2 Persons	3 + Persons
Anderson	\$250,000	\$61,900	\$71,185	Lewis	\$250,000	\$56,100	\$64,960
Bedford	\$250,000	\$58,800	\$68,600	Lincoln	T \$300,000	\$67,320	\$78,540
Benton	\$250,000	\$56,100	\$64,960	Loudon	T \$300,000	\$74,280	\$86,660
Bledsoe	T \$300,000	\$67,320	\$78,540	Macon	T \$375,000	\$67,320	\$78,540
Blount	\$250,000	\$61,900	\$71,185	Madison	T \$300,000	\$67,320	\$78,540
Bradley	* \$250,000	\$59,773	\$68,739	Marion	T \$300,000	\$73,440	\$85,680
Campbell	T \$300,000	\$67,320	\$78,540	Marshall	\$250,000	\$59,373	\$68,279
Cannon	T \$375,000	\$82,200	\$95,900	Mauzy	T \$375,000	\$67,440	\$78,680
Carroll	T \$300,000	\$67,320	\$78,540	McMinn	\$250,000	\$59,880	\$69,061
Carter	\$250,000	\$59,760	\$69,084	McNairy	T \$300,000	\$67,320	\$78,540
Cheatham	\$375,000	\$82,200	\$95,900	Meigs	T \$300,000	\$67,320	\$78,540
Chester	T \$300,000	\$67,320	\$78,540	Monroe	T \$300,000	\$67,320	\$78,540
Claiborne	T \$300,000	\$67,320	\$78,540	Montgomery	* \$250,000	\$59,253	\$68,141
Clay	T \$300,000	\$67,320	\$78,540	Moore	\$250,000	\$61,000	\$70,150
Cocke	T \$300,000	\$67,320	\$78,540	Morgan	T \$300,000	\$67,320	\$78,540
Coffee	* \$250,000	\$59,693	\$68,647	Obion	T \$300,000	\$67,320	\$78,540
Crockett	T \$300,000	\$67,320	\$78,540	Overton	T \$300,000	\$67,320	\$78,540
Cumberland	\$250,000	\$56,100	\$64,960	Perry	\$250,000	\$56,100	\$64,960
Davidson	* \$375,000	\$82,200	\$95,900	Pickett	T \$300,000	\$67,320	\$78,540
Decatur	\$250,000	\$59,280	\$69,160	Polk	T \$300,000	\$67,320	\$78,540
DeKalb	T \$300,000	\$67,320	\$78,540	Putnam	\$250,000	\$56,100	\$64,960
Dickson	\$375,000	\$82,200	\$95,900	Rhea	T \$300,000	\$67,320	\$78,540
Dyer	T \$300,000	\$67,320	\$78,540	Roane	\$250,000	\$59,213	\$68,095
Fayette	T \$300,000	\$72,120	\$84,140	Robertson	* \$375,000	\$82,200	\$95,900
Fentress	T \$300,000	\$67,320	\$78,540	Rutherford	* \$375,000	\$82,200	\$95,900
Franklin	T \$300,000	\$67,320	\$78,540	Scott	T \$300,000	\$67,320	\$78,540
Gibson	T \$300,000	\$67,320	\$78,540	Sequatchie	T \$300,000	\$73,440	\$85,680
Giles	T \$300,000	\$67,320	\$78,540	Sevier	\$250,000	\$59,713	\$68,670
Grainger	T \$300,000	\$67,320	\$78,540	Shelby	* \$250,000	\$60,100	\$69,115
Greene	T \$300,000	\$67,320	\$78,540	Smith	\$375,000	\$64,800	\$75,600
Grundy	T \$300,000	\$67,320	\$78,540	Stewart	T \$300,000	\$67,320	\$78,540
Hamblen	* \$250,000	\$59,520	\$69,130	Sullivan	* \$250,000	\$59,893	\$68,877
Hamilton	* \$250,000	\$61,200	\$70,380	Sumner	\$375,000	\$82,200	\$95,900
Hancock	T \$300,000	\$67,320	\$78,540	Tipton	T \$300,000	\$72,120	\$84,140
Hardeman	T \$300,000	\$67,320	\$78,540	Trousdale	T \$375,000	\$82,200	\$95,900
Hardin	T \$300,000	\$67,320	\$78,540	Unicoi	T \$300,000	\$67,320	\$78,540
Hawkins	T \$300,000	\$67,320	\$78,540	Union	T \$300,000	\$74,280	\$86,660
Haywood	T \$300,000	\$67,320	\$78,540	Van Buren	T \$300,000	\$67,320	\$78,540
Henderson	T \$300,000	\$67,320	\$78,540	Warren	\$250,000	\$56,100	\$64,960
Henry	* \$250,000	\$60,013	\$69,015	Washington	* \$250,000	\$59,760	\$69,084
Hickman	T \$375,000	\$67,320	\$78,540	Wayne	T \$300,000	\$67,320	\$78,540
Houston	T \$300,000	\$67,320	\$78,540	Weakley	* \$250,000	\$59,633	\$68,578
Humphreys	\$250,000	\$58,853	\$67,681	White	T \$300,000	\$67,320	\$78,540
Jackson	T \$300,000	\$67,320	\$78,540	Williamson	\$375,000	\$82,200	\$95,900
Jefferson	T \$300,000	\$67,320	\$78,540	Wilson	\$375,000	\$82,200	\$95,900
Johnson	T \$300,000	\$67,320	\$78,540				
Knox	* \$250,000	\$61,900	\$71,185				
Lake	T \$300,000	\$67,320	\$78,540				
Lauderdale	T \$250,000	\$67,320	\$78,540				
Lawrence	T \$250,000	\$67,320	\$78,540				

T Denotes a targeted county. The first-time homebuyer requirement is waived.

\* Denotes that some census tracts in the county are targeted, and in these census tracts, the first-time homebuyer requirement is waived.

## **5.4 DEBTS, OBLIGATIONS AND OTHER EXPENSES**

### **A. Remaining Debt Payments**

Although most program insurer underwriting guidelines allow a certain number of remaining scheduled debt payments to be disregarded for purposes of loan qualifying, the impact of existing debt payments on Applicant's budget at the time of the first scheduled THDA loan payment may be evaluated in THDA's sole discretion.

### **B. Bankruptcy (Chapter 7 and Chapter 13)**

An Applicant's Chapter 7 bankruptcy must be discharged for a minimum of two years and acceptable credit must be re-established to be eligible for a THDA loan.

An Applicant's Chapter 13 bankruptcy must be discharged for a minimum of one year, with all payments on the plan made as agreed, and acceptable credit re-established or maintained during this time.

Applicants currently in bankruptcy are not eligible for THDA loan programs.

THDA considers re-established credit, tradelines either traditional or non-traditional that have been active for 12 consecutive months.

### **C. Previous Default**

Applicants with prior foreclosures or deeds-in-lieu are not eligible for THDA loan programs for a period of three years from the date of the foreclosure sale. If the foreclosure or a short sale was on a THDA funded loan, the borrowers are not eligible for another THDA loan.

### **D. Child Support and Alimony Obligations**

Include a copy of the final order, signed by the court. Payments must be current.

### **E. Judgments**

Any and all judgments must be handled in accordance with the program insurer guidelines.

### **F. Federal or State Tax Liens, Tax Arrearages**

All tax liens or arrearages must be paid in full. Include an acceptable explanation from the Applicant.

### **G. Collections**

Any and all collection accounts must be handled in accordance with program insurer guidelines.

### **H. Co-Signed Debt**

Any and all co-signed accounts must be included in Originating Agent underwriting decisions in accordance with program insurer guidelines.

### **I. Child Care Expense**

Child care expenses must be handled in accordance with program insurer guidelines.

### **J. Legally Enforceable Obligation Letter**

If a borrower receives a Great Choice Plus loan and has an FHA first mortgage, a Legally Enforceable Obligation Letter, Form HO-0476, must be signed by Borrower at closing. This letter will be sent to the Originating Agent with the THDA loan commitment.

Loans closed by the Purchase Method, if approved by THDA, will be purchased from the Originating Agent by wire transfer. A loan is eligible for purchase when the initial closed loan package, which must include the following documents, has been delivered to THDA.

- Original Note on Great Choice
- Original Note on Great Choice Plus loan, if applicable
- Copy of executed Deeds of Trust
- Title Insurance Commitment
- Copy of executed Warranty Deeds
- Declaration page of Hazard Insurance
- Closing Disclosure
- Copy of Legally Enforceable Obligation Letter, if applicable

**C. Commitment**

Enclose a copy of the Commitment.

**D. Original Note**

Deliver the original Note(s), endorsed to THDA by an authorized Originating Agent staff member. THDA will not fund the purchase of the loan until the original note is received.

**E. Deed of Trust**

Enclose the original recorded Deed(s) of Trust and Rider(s), or a copy (before recording) of the fully executed Deed(s) of Trust and Rider(s) which have been certified as a true and exact copy by the Settlement Agent or an authorized Originating Agent staff member.

THDA must receive the original recorded Deed(s) of Trust and Rider(s) on or before the 120 day deadline. Applicant's signature and typed name on the Deed(s) of Trust, Title Insurance Policy and Warranty Deed(s) must match exactly or a name affidavit must be enclosed. The legal description, book, page, time of recording and other critical data must match the Title Insurance Policy and the Warranty Deed(s), as applicable.

**F. Affidavit of Affixation (Manufactured Home)**

Enclose the original, fully executed and recorded Affidavit of Affixation.

**G. Assignment (n/a If MERS documents submitted)**

Enclose the original recorded Assignment, or a copy (before recording) of the fully executed Assignment which has been certified as a true and exact copy by an authorized Originating Agent staff member.

THDA must receive the original recorded Assignment on or before the 120 day deadline. The recorded Assignment must indicate the correct book and page reference for the recorded Deed(s) of Trust and any subsequent re-recordings. The Title Insurance Policy or an endorsement must reflect the recording and any subsequent re-recordings of the Assignment.

**H. Title Insurance Policy/Endorsements**

Enclose the original Title Insurance Policy and all required endorsements. The original Title Insurance Policy must be received by THDA on or before the 120 Day Deadline.

**O. MIC/LGC; USDA/RD 3555-17, or As Applicable**

1. The MIC must be ordered promptly after closing. FHA connections should reflect insured and holder as THDA.
2. The LGC must be ordered promptly after closing. THDA must receive a copy of the LGC within 120 days following closing.
3. For USDA/RD loans, enclose the Loan Note Guaranty 3555-17 within 120 days of closing. Also enclose a copy of RD Form 3555-11, Lender Record Change. The original 3555-11 must be submitted to Rural Development. In the appropriate space, indicate THDA's USDA/RD ID number: 6206001445.

**P. Final Loan Application (1003)**

The final 1003 executed by the borrower(s) must be included in the Closed Loan Submission Package.

**8.5 LOAN REPURCHASE**

**A. Repurchase Obligation**

THDA, in its sole discretion, may refuse to purchase any loan and may require an Originating Agent to repurchase any loan(s) when any of the following exist:

1. Commitment conditions are not satisfied; or
2. The closed loan does not match all elements of the Commitment; or
3. The Originating Agent fails to deliver required documents to the THDA Servicer within the THDA Servicer's deadline; or
4. The loan is refused for servicing by the THDA Servicer; or
5. The Borrower fails to make the first regularly scheduled loan payment to the THDA Servicer ("first payment default"); or
6. The Borrower experiences a first payment default before the MIC, LGC, USDA/RD guarantee or PMI certificate is issued (first payment default is determined by the records of the THDA Servicer indicated on the Commitment); or
7. An entity other than THDA or the Originating Agent is named on the MIC, LGC, USDA/RD guarantee (3555-11, 3555-17 or 3555-18) or PMI Certificate;
8. The Originating Agent fails to deliver closed loan documentation to THDA within specified deadlines; or
9. The loan cannot be insured or guaranteed within 150 days of loan closing or the THDA closing file is incomplete on the 151<sup>st</sup> day following loan closing; or
10. Any material fact discovered subsequent to the closing causes the loan to be ineligible for THDA financing.