

Ralph M. Perrey, Executive Director



**ORIGINATING AGENTS GUIDE  
REVISION 115**

September 26, 2016

**Remove and discard:**

**Replace with enclosed:**

Page 3 (Revised 02/18/2016) ..... Page 3 (Revised 10/03/2016(2))

**EFFECT OF CHANGE**

Effective Monday, **October 3, 2016**, the interest rate on all Great Choice Mortgage Loan applications will be reduced to **3.75%**. Based on this rate, the Homeownership for the Brave Loan Program will be reduced to **3.25%**.

All loan applications, including electronic submissions, received by THDA on or after **October 3, 2016** must be submitted at the new rate.

All Great Choice applications received by THDA prior to October 3, 2016, and outstanding commitments at the rate of **3.99%** for Great Choice and **3.49%** for Homeownership for the Brave, remain in effect and the respective loan must close at those rates.

## **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 down payment and closing cost assistance to a maximum of 5% of the purchase price at a 0% interest rate, deferred payment, forgivable second 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%.

<b>Maximum Household Income</b>	Varies by county
<b>Maximum Acquisition Cost (Including all incidentals)</b>	Varies by county
<b>Maximum LTV</b>	Subject to FHA, VA, and USDA/RD Guidelines. Conventional Loans 78% LTV or less.
<b>Interest Rate</b>	<b>3.75%</b> fixed rate, subject to change
<b>Loan Term</b>	30 years
<b>Loan Types</b>	FHA, VA, USDA/RD, Conventional
<b>Mortgage Insurance or Guarantee</b>	As required by loan type
<b>Buydowns</b>	Not allowed
<b>Assumable</b>	Subject to qualifying
<b>Pre-Payment Penalty</b>	No penalty
<b>Subject to Recapture</b>	Yes
<b>Required Reserve</b>	As required by loan type
<b>Minimum Investment</b>	As required by loan type
<b>Closing Costs</b>	May come from borrower, seller, a gift, or as required by loan type
<b>Down Payment</b>	As required by loan type
<b>First Time Homebuyer Rule</b>	Borrower must not have an interest in their primary residence within 36 months of application <b>unless</b> 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.)
<b>Homebuyer Education</b>	Not required
<b>Origination Fee</b>	Up to 2% maximum
<b>Discount Point</b>	Up to .25