

**ORIGINATING AGENTS
GUIDE REVISION 119**

February 24, 2017

Remove and discard:

Page 18 (Revised 04/07/15).....	Page 18 (Revised 02/24/17)
Page 24 (Revised 01/25/16).....	Page 24 (Revised 02/24/17)
Page 25 (Revised 03/07/16).....	Page 25 (Revised 02/24/17)
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Page 31 (Revised 08/01/15).....	Page 31 (Revised 02/24/17)
Page 32 (Revised 10/05/15).....	Page 32 (Revised 02/24/17)
Add new page	Page 5-B (02/24/17)
Add new page	Page 17-B (02/24/17)

Replace with enclosed:

Forms

Underwriting Submission Checklist

HO-0549 (05.16)..... HO-0549 (02.17)

Application for Assistance

HO-0573 (10.16).....Discontinued

Disclosure of Loan Terms for Great Choice Plus

HO-0574 (10.16)..... HO-0574 (02.17)

Disclosure of Loan Terms for HHF-DPA

New..... HO-0574-HHF (03.17)

HHF DPA Program Certification

New..... HO-0580-HHF (03.17)

Good Faith Estimate for HHF-DPA

New..... HO-0575-HHF (03.17)

Second Promissory Note for HHF-DPA

New..... HO-0503-HHF (03.17)

Subordinate Deed of Trust for HHF-DPA

New..... HO-0502-HHF (03.17)



EFFECT OF CHANGE

Effective March 1, 2017, THDA will begin accepting loan applications for the Hardest Hit Fund Down Payment Assistance (HHF-DPA) second mortgage loan program. THDA received approval from the U.S. Department of Treasury to commit \$60 million in federal funding for the purchase of existing homes in 55 designated ZIP Codes across the state.

Designated ZIP Codes

37037	37172	37321	37716	37921	38107	
37040	37186	37323	37721	37924	38109	38128
37042	37207	37404	37813	38012	38111	38133
37073	37208	37406	37821	38016	38115	38134
37086	37217	37411	37871	38018	38116	38135
37110	37218	37412	37912	38053	38122	38141
37115	37303	37416	37914	38063	38125	38301
37148	37311	37660	37917	38105	38127	38305

The HHF-DPA second mortgage loan is a \$15,000, 10-year term, 0% interest, deferred second mortgage lien; and must close simultaneously with THDA's Great Choice first mortgage loan. Repayment is required if the borrower sells or refinances the home before year 10 of the loan. The second mortgage lien is forgiven at 20% per year starting at year six, and fully forgiven at the end of year 10.

Forms specific to the Great Choice HHF-DPA second mortgage loan are included with this Revision.

D. HHF Down Payment/Closing Cost Assistance Loan Program (HHF DPA)

This loan offers down payment and closing cost assistance to first-time homebuyers at no interest but secured by a second deed of trust. This loan is available only with the THDA Great Choice and Homeownership for the Brave first mortgage loan. The HHF DPA loan is a 0% interest rate, deferred payment, forgivable second lien. The second mortgage loan is forgiven at 20% per year in years 6 through 10.

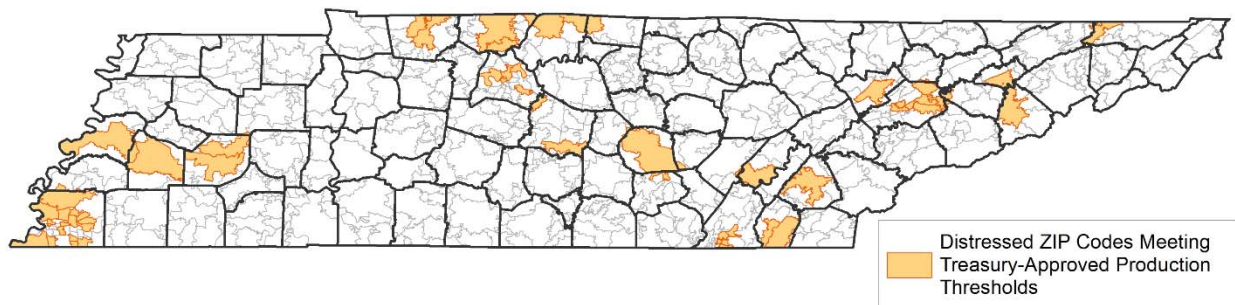
Eligible Borrower	Homebuyer obtaining THDA Great Choice Loan
Maximum Household Income	THDA Great Choice Program Limits apply
Maximum Loan Amount	\$15,000
Interest Rate	0%
Loan Term	10 year deferred, forgivable 20% per year in years 6-10
Underwriting Criteria	Must meet all other THDA Underwriting Guidelines*. Manual underwriting allowed per THDA guide. <i>*Existing construction only, new construction excluded</i>
Pre-Payment	No pre-payment penalty.
Allowable Fees	Recording fee
Closing Documents	HHF-DPA Note and Deed of Trust in the name of THDA
Homebuyer Education	Pre Purchase and Post Purchase Required prior to closing on HHF DPA
Assumption	No Assumptions of HHF DPA
Forgiveness Period	20% per year in years 6-10
Due on Sale	The Great Choice HHF loan is due in full upon 1 st mortgage payoff, assumption, or refinance.
Servicing	No monthly second mortgage payment is collected.

3.8 HHF-DPA Program Targeted Zip Codes

THDA received approval from the U.S. Department of Treasury to commit \$60 million in federal funding to its new Down Payment Assistance Program. The source of this funding is U.S. Treasury's Hardest Hit Fund (HHF), which was established in the aftermath of the mortgage market crisis to help homeowners at risk of losing their homes to foreclosure.

THDA's \$15,000 Down Payment Assistance Program is available for existing construction in 55 targeted ZIP Codes located in 30 Tennessee counties based on a number of "stress" factors, including foreclosures, short sales and negative equity rates:

HHF-DPA Targeted ZIP Codes



ZIP Codes Eligible for HHF-DPA

37037	37172	37321	37716	37921	38107	38128
37040	37186	37323	37721	37924	38109	38133
37042	37207	37404	37813	38012	38111	38134
37073	37208	37406	37821	38016	38115	38135
37086	37217	37411	37871	38018	38116	38141
37110	37218	37412	37912	38053	38122	38301
37115	37303	37416	37914	38063	38125	38305
37148	37311	37660	37917	38105	38127	

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SECTION 4: OTHER THDA PROGRAM REQUIREMENTS

4.1 ELIGIBLE APPLICANTS

An Eligible Applicant must meet ALL of the following criteria:

1. Possess and demonstrate the legal capacity to incur the THDA debt (not be judged incompetent, and be age 18 or older or have minority removed by judicial process);
2. Meet credit underwriting standards of the relevant insuring program as evidenced by the approval of a Direct Endorsement underwriter or the insurer program accepted underwriting software, i.e. Loan Prospector, Desktop Underwriter;
3. Be, or become, within 60 days after the THDA loan closing, a resident of the State of Tennessee and intend to occupy the property as their principal residence;
4. Have gross assets of such amounts as to be considered a person of low or moderate income, as THDA may determine from the documentation contained in the application file (See Section 5.2); and
5. Agree to occupy the property as their principal residence and agree not to rent the property during the term of the THDA loan, as sworn to in the Application Affidavit and as precluded by the THDA Rider.
6. Must be a U.S. citizen or permanent resident alien.

4.2 PROPERTY ELIGIBILITY

A. Eligible Property

Eligible property must meet all of the following requirements:

1. Be one of the following:
 - (a) A detached or semi-detached house;
 - (b) A row-house, townhouse, condominium or be part of a planned unit development. For a property located in a condominium development, including developments less than 100% complete, the condominium development must have approval by either FHA, VA, USDA/RD, FHLMC or FNMA;
 - (c) A one, two, three, or four-family residence, one unit of which must be occupied by Applicant as his/her principal residence;
 - (d) Any of the above types of residences, existing, new or proposed (HHF-DPA excludes new or proposed construction):
 - (1) built on site, or
 - (2) a modular home permanently attached to a foundation (in compliance with HUD guidelines, or
 - (3) a HUD approved double-wide manufactured home permanently attached to a foundation (in compliance with HUD Manual 4930.3, "Permanent Foundations Guide for Manufactured Housing"), with wheels, axles, towing tongue and running lights removed. If any portion of a

SECTION 5: PROCESSING AND CREDIT UNDERWRITING REQUIREMENTS

5.1 OVERVIEW

A. Disclosures

1. Great Choice

Originating agents are required to provide all disclosures that comply with all federal and state laws and/or regulations. These include, without limitation, signed and dated copies of loan estimate, Tennessee Residential Property Condition Disclosure and transfer of servicing disclosures.

2. Great Choice Plus

Originating agents will provide all disclosures that comply with all federal and state laws and/or regulations. These include GFE and Disclosure of Loan Terms.

B. Underwriting Guidelines, Debt Ratios, Credit Scores, Compensating Factors

Eligible applicants must meet credit underwriting standards of the relevant insuring program, as evidenced by the approval of a Direct Endorsement underwriter or the insurer, program accepted, underwriting software, i.e. Loan Prospector (LP), Desktop Underwriter (DU). LP or DU acceptance must also be signed by the Originating Agent underwriter or processor verifying the accuracy of information or data required to receive approval.

All loan submissions with a borrower(s) credit score (middle score or lowest score if only two scores) below 640 will not be eligible for THDA funding. THDA will accept loans with the following decision responses which shall meet the following THDA requirements:

1. Approve/Eligible: Maximum debt ratio of 45% and a minimum credit score of 640.
2. Refer/Eligible - due to “no score” only: Loans must be manually underwritten using non-traditional credit guidelines in accordance with FHA guidelines, maximum debt ratio of 36%.
 - Two months PITI in reserves. This cannot be a gift.
3. Refer/Eligible: Loans must be manually underwritten, maximum debt ratio of 43%, minimum credit score of 640, and must meet two of the three THDA overlays listed below.
 - The borrower must have a verified rental history. Verification of rental (VOR) is acceptable if borrower is renting from a commercial management company; or 12 months canceled checks/bank verification if borrower is renting from a private landlord.
 - One month PITI in reserves. This cannot be a gift.
 - A two year job history with a minimum of 12 months at current employer.
4. Approve/Ineligible: As it refers to the HUD REO \$100.00 down payment program only, maximum debt ratio of 45% and minimum credit score of 640.

All THDA loan application packages will be required to include a copy of the completed FHA Loan Underwriting and Transmittal Summary or Loan Analysis signed by an authorized program endorsed underwriter of the Originating Agent, or correspondent underwriting agent. (See Section 6.2. K)

Any closed loan subsequently determined to be ineligible for program insurance due to non-compliance with that program’s credit underwriting guidelines will be ineligible for THDA funding and subject to repurchase without exception.

C. Homebuyer Education-Great Choice Plus and Homeownership for the Brave Program

Great Choice Plus and Homeownership for the Brave borrowers are required to obtain pre-purchase homebuyer education and counseling provided by a THDA approved Homebuyer Education (HBEI) Provider at one of the approved agencies listed on THDA’s website at www.thda.org. Each person on

the loan is required to obtain homebuyer education. The following formats are available for Homebuyer Education:

1. Face-to-Face
 - A minimum of six hours of classroom education
 - A four hour class or workshop, paired with a minimum of one hour of individual counseling
 - A minimum of four hours of face-to-face, one-on-one homebuyer counseling
2. Online Education
 - A minimum of one hour of individual counseling paired with THDA's approved eHomeAmerica online homeownership education course
 - The borrower may access the course via THDA's website or by contacting the approved Provider agency directly.
 - The borrower will select an HBEI Provider and pay a fee during the online registration process.
 - Upon completion of the course, the borrower will be contacted by the HBEI Provider and required to participate in a one hour counseling session. The session provides follow-up counseling on the test questions and additional counseling regarding the customer's budget and responsibilities as a homeowner.

After the Homebuyer Education course is completed, the HBEI Provider will provide the borrower with their THDA Certificate of Completion. The certificate will be in effect for 12 months.

D. Homebuyer Education-HHF DPA Program

Great Choice HHF and Homeownership for the Brave HHF borrowers are required to obtain pre-purchase and post-purchase homebuyer education and counseling provided by a THDA approved Homebuyer Education (HBEI) Provider at one of the approved agencies listed on THDA's website at www.thda.org. Each person on the loan is required to obtain pre-purchase and post-purchase homebuyer education prior to receiving THDA's commitment for the loan to close. The following formats are available for Homebuyer Education:

1. Face-to-Face
 - A minimum of eight hours of classroom education covering pre-purchase and post-purchase
 - All available in-person classes are available on the THDA HBE Calendar
 - Agency may choose to offer hands-on workshops for the borrower to attend after closing. Agency will provide details.
2. Online Education
 - A minimum of one hour of individual counseling paired with THDA's approved eHomeAmerica pre-purchase and post-purchase education course
 - The borrower may access the course via THDA's website (HHF-DPA link)
 - The borrower will select an HBEI Provider and pay a fee during the online registration process. Each course will require separate payment; registration is only completed once.
 - Within 24-48 hours of completing both courses, borrower will be contacted by the HBEI Provider to schedule the one hour follow-up session. The session provides follow-up counseling on the test questions and additional counseling regarding the customer's budget and responsibilities as a homeowner.

E. Age of Credit Documents

All credit documents must be current when submitted to THDA for underwriting. For Commitments with a term of six months (permanent financing on new construction), income documents more than 180 days old must be updated and resubmitted for THDA review and approval when construction is complete.

All updates and requests for extension of the Commitment must be submitted with updated documents for THDA approval prior to the Commitment expiration date.

F. Qualifying Spouse

When an application is made by two people, both are considered co-applicants for THDA eligibility purposes. Both must sign the Application Affidavit and the income of both persons must be included in calculating Household Income as described in Section 3.3. Both persons must execute the Note and the Deed of Trust.

G. Non-Qualifying Spouse

1. Cannot have owned principal residence in the past three years unless present property being purchased is in a targeted area.
2. Items required as documentation on the non-qualifying spouse:
 - a. Income verified and a current pay stub.
 - b. Signature on an original Application Affidavit (can be on the same Affidavit as borrower or on a separate Affidavit).
 - c. Copy of the most recent tax year Federal Income Tax Return and W-2's.
 - d. Signature on the Deed of Trust at closing (signing away marital interest).

H. Co-Signers

THDA will not approve any loan that includes the use of a co-signer.

5.2 ASSETS

A. Substantial Liquid Assets

If an Applicant has non-recurring deposits in excess of \$300 the Applicant must explain the source and circumstances of such deposits. THDA will make a case-by-case determination of the acceptable level of liquid assets and/or recurring income based on the information and documentation provided in the application file.

B. Sale of Assets

Funds to close the THDA loan that are obtained from the sale of an asset must be documented. Include a copy of the bill of sale.

If the source of funds to close are from the sale of commercial property, manufactured home (chattel) or non-owner occupant residential real estate, documentation must be provided to establish whether income is being received, or will be received, or to show that the property was sold and not retained for rental income. If there is financing income or rental income, it must be included in Household Income (See Section 3.3).

C. Gift Letter

A gift letter must be properly documented and verified in accordance with program insurer guidelines.

5.3 VERIFICATIONS

A. Employment Verifications

Full documentation is required for THDA. All current full-time and part-time employment or self-employment covering a period of at least the last two years must be verified in writing. Telephone verification is acceptable on previous employment. For current employment not verified with a standard

L. Loan Application (1003)

Include the initial 1003, signed and dated by the Applicant(s) and the loan officer and final 1003. Three years of residency must be stated on the 1003.

M. Positive Identification

For all loan types, positive identification of each Applicant must be obtained in accordance with insurer or guarantor guidelines. It is the Originating Agents responsibility to insure that those guidelines are met.

N. Credit Report

The original credit report must be included in the application file unless it is required to be submitted to the insurer or guarantor. The Applicant's credit report must comply with the program insurer's minimum acceptable credit verification guidelines. Merged credit reports that comply with program guidelines are acceptable.

O. Final Divorce Decree/Marital Dissolution; Court Ordered Child Support; SSI or Other Assistance

Include copies of any or all of these documents, as applicable. Parenting plan may be used to determine the accuracy of household composition.

P. Verification of Employment; Most Recent Pay Stub; Form Evidencing Telephone Verification of Prior Employment; Self-Employment

See Sections 5.3 and 5.4.

Q. Documentation for Veteran Exemption

VA Form DD-214 if applicant is a discharged or released veteran. VA Form DD-4 if applicant has re-enlisted, but was eligible for a discharge or release at the time of re-enlistment.

R. Original Certificate of Title or Original Manufactured Certificate of Origin (Manufactured Home)

The **original** Certificate of Title with any lien noted thereon having been marked released, or **original** Manufactured Certificate of Origin ("MCO") in the name of the seller of the subject property or having been endorsed to the seller **MUST** be included in the Underwriting Submission package. The file may be submitted electronically, however, a commitment will not be issued until THDA receives the **original** Certificate of Title or **original** "MCO".

The only exception to this requirement is, if the seller of the subject property has a mortgage on the property and the lien holder is in possession of the title or MCO and will not release it until their loan is paid off. Under this scenario, a copy of the Certificate of Title or MCO must be included in the Underwriting Submission package and the commitment will be conditioned to receive the **original** Certificate of Title or MCO with the Closed Loan package. However, THDA will not purchase the loan until we receive the **original** Certificate of Title or **original** MCO.

S. Verification of Deposit or Bank Statements for Previous Two Months

See Sections 5.3.

T. Sales Contract

Include a copy of the purchase agreement (fully executed by seller and Applicant) in the application file. Information in the application file. Any changes to the purchase agreement must be initialed by seller and Applicant.

U. FHA Conditional Commitment

Enclose the HUD Form 92800.5B (FHA Conditional Commitment) and the Appraisal Analysis Sheet, both signed by the DE Underwriter.

V. Appraisal

Enclose an original Uniform Residential Appraisal Report (FMNA 1004) in the application file. The Uniform Residential Appraisal Report must reflect inspections of both the interior and exterior of the dwelling. If the original Appraisal must be submitted to the loan insurer or guarantor, a legible copy must be enclosed.

If the negotiated sales price for the property was modified after the Appraisal was provided, enclose a letter from the appraiser that indicates any changes in the appraiser's conclusions.

W. Flood Notification

If the property lies within a Special Flood Hazard Zone, the Originating Agent must make proper and timely disclosure to the Applicant in compliance with federal regulations. Provide a life of loan Flood Hazard certification with the initial underwriting submission package or closed loan documents.

X. Loan Estimate

The initial Loan Estimate (LE) must be included in the Underwriting Submission Package and any subsequent changes in the LE, if necessary, must be included in the Closed Loan Submission Package. Great Choice Plus mortgage loan applications should reflect a \$50 credit from THDA to the borrower, representing the grant THDA is providing the borrower to cover a large portion of the recording fees for the second mortgage loan Deed of Trust.

Y. Good Faith Estimate

A Good Faith Estimate (GFE) must be provided for the Great Choice Plus mortgage loan. Recording fees are the only allowable fees.

6.3 DOCUMENTING NEW CONSTRUCTION FOR CUSTOM BUILT HOMES

NOTE: *This section does not apply to the purchase of a new or proposed residence located on a lot that is not owned by the Applicant prior to the date of the loan closing; new construction is not allowed on HHF-DPA program..*

A. Documentation Required

1. Copy of Warranty Deed to lot.
2. Copy of construction contract.
3. Contractor's detailed cost estimate, if applicable.
4. Contractor's final itemized bill, if applicable.
5. Final inspection with photos, when complete.

B. Manufactured Housing

For manufactured housing, additional or substituted documentation must include a contract for the manufactured home and documentation for the cost of foundation, utilities, landscaping, driveways and all other necessary improvements.

**Tennessee Housing Development Agency (THDA)
Underwriting Submission Checklist**

OA Number: _____

Primary Applicant: _____

OA Name: _____

Property Address: _____

OA Address: _____

Applicant's Email: _____

Program Type:

- ☐ Great Choice-1st Mortgage
☐ Great Choice Plus-2nd Mortgage
☐ Homeownership for the Brave

DU/LP Recommendation

- ☐ Approve/Eligible
☐ Refer/Eligible
☐ Manual No Score

Loan Type:

- ☐ FHA
☐ VA
☐ USDA/RD
☐ Conventional

Property Type:

- ☐ Single Family Detached
☐ Condo
☐ Manufactured Home
☐ Other _____

PLEASE ASSEMBLE PACKAGE IN ORDER LISTED BELOW

THDA PROGRAM ELIGIBILITY

- ☐ 1. Buyer Profile
- ☐ 2. Original Application Affidavit(s), Veteran Exemption Application Affidavit
- ☐ 3. Original Seller Affidavit (notarized)
- ☐ 4. Signed and Dated Tax Returns with all schedules and W-2s for the most recent tax year including non-qualifying spouse
- ☐ 5. IRS Non-Filing Confirmation for most recent tax year including non-qualifying spouse
- ☐ 6. Notice to Applicants Federal Recapture Requirements (signed copy)
- ☐ 7. Homebuyer Education Certification, HHF-DPA Combo Certificate
- ☐ 8. Disclosure of Loan Terms for Great Choice Plus second mortgage (if applicable)
- ☐ 10. Disclosure of Loan Terms for HHF-DPA second mortgage (if applicable)
- ☐ 11. HHF-DPA Program Certification (if applicable)

CREDIT PACKAGE

- ☐ 10. FHA Loan Underwriting and Transmittal Summary with condition sheet, **AND** Form 92900A p3, signed by DE Underwriter and DU or LP findings
- ☐ 11. USDA/RHS #3555-18
- ☐ 12. Typed Transmittal Summary (1008) signed by underwriter with DU or LP findings within 90 days of AUS or run date
- ☐ 13. VA/Loan Analysis Worksheet Approval OR VA Certificate of Commitment/DD-214 or DD-4 (if applicable)
- ☐ 14. Initial Loan Estimate
- ☐ 15. Initial Good Faith Estimate for Great Choice Plus mortgage loan or HHF-DPA mortgage loan
- ☐ 16. Final Loan Application (Typed URLA) 1003 (3 year residency should be stated)
- ☐ 17. Initial Interviewer's Signed Loan Application 1003 (3 year residency should be stated)
- ☐ 18. Credit Report and credit explanation letters (if applicable)
- ☐ 19. Final Divorce Decree/Marital Dissolution (if applicable)
- ☐ 20. Verification of Court Ordered Child Support/Parenting Plan
- ☐ 21. Verification of SSI or Other Assistance
- ☐ 22. Verifications of Employment (verbal is unacceptable)
- ☐ 23. Most Recent Pay Stub (within past 30 days)
- ☐ 24. Verifications of Prior Employment (telephone verification is acceptable)
- ☐ 25. Self-Employment Cash Flow Worksheet, P & L, 2 years Business Tax Returns (corp. or partnership or sole prop.)
- ☐ 26. Verification of Deposit OR Borrower's Bank Statements for the previous two months
- ☐ 27. Gift Letter
- ☐ 28. Sales Contract and Addendum (Copy)
- ☐ 29. Appraisal Report (URAR) and Condition Sheet with VC Sheet/USDA-RD Conditions, and executed conditional commitment (928005.b), VA CRV
- ☐ 30. Final Inspection and Legible Photos of Subject Property (front, rear, street) and Photos or Photocopies of comparable sales
- ☐ 31. Flood Notification (if applicable, signed by Applicant or certified date mailed to Applicant) (Copy)
- ☐ 32. Grant/Down payment assistance approval letters
- ☐ 33. Original Certificate of Title or Original Manufactured Certificate of Origin (Mobile/Manufactured Homes)
- ☐ 34. FHA 203(h) Proof of permanent residence (if applicable)
- ☐ 35. FHA 203(h) Proof of destruction of residence (if applicable)

THDA RESERVES THE RIGHT TO REQUEST ADDITIONAL DOCUMENTATION TO EVALUATE THIS LOAN APPLICATION.

The undersigned, an authorized representative of the OA referenced above, hereby certifies and warrants as follows: (i) the information accompanying this submission has been verified and corroborated as required by THDA; (ii) all requirements of applicable federal and/or state law have been met, including, without limitation, all disclosures and requirements in the Federal Reserve Board "Rule" and the Dodd-Frank Act; (iii) the Applicant referenced above and the property proposed for purchase by the Applicant meet all applicable THDA mortgage loan eligibility and program guidelines; and (iv) to the extent this submission is electronic, all documents and affidavits required to be originals or with original signature were obtained.

Originating Agent Authorized Signature

Print Name and Title

Date

Phone No. (_____) _____

Fax No. (_____) _____

Email address _____

Loan Originator Name

Loan Originator Email

Tennessee Housing Development Agency (THDA)
Disclosure of Loan Terms
Great Choice Plus Second Mortgage Loan

I acknowledge that I am applying for assistance from Tennessee Housing Development Agency (THDA) in the form of a second mortgage loan through the Great Choice Plus, to utilize for down payment and/ or closing costs assistance under the terms of the Great Choice Plus Program.

This disclosure form is required to be presented to me by the lender before settlement and/ or closing of the mortgage when a Loan Estimate (LE) on the second mortgage loan is not provided.

As a Borrower under this program, I understand that the Great Choice Plus second mortgage loan has the following terms and conditions as explained by my originating lender:

- We request a Great Choice Plus mortgage loan in the amount of \$_____ (no more than 5% of the Purchase Price)
- The term of the Great Choice Plus second mortgage loan is 30 years, forgiven at the end of the term of the Great Choice first mortgage.
- The interest rate is 0% and is non-amortizing, therefore having no required monthly payment.
- There are no costs or fees charged by THDA and the APR will be 0%.
- A Good Faith Estimate (GFE) is required for the Great Choice Plus second mortgage loan.
- The Great Choice Plus second mortgage loan is required to be repaid upon sale of the property or refinance of my Great Choice first mortgage loan.
- A Grant will be provided to my lender by THDA on my behalf for \$50 of the cost of the recording fees of the Great Choice Plus deed of trust.
- If I have any questions about the Great Choice Plus Second Mortgage Loan I am encouraged to ask my lender or contact THDA for additional information at SFask@thda.org or 1-615-815-2100.

Borrower

Date

Co-Borrower

Date

Lender

In connection with this application for a Great Choice Plus loan, I, the undersigned duly authorized representative of _____ (the Lender), certify as follows:

- a. The scheduled loan closing date is _____, 20_____.
- b. The borrower(s) will not receive any cash at closing as a result of, or from, proceeds from the Great Choice Plus loan. Any "Net Funds to Borrower" at closing will be those allowable by THDA guidelines. (Originating Agent Guide, Section 7.5 D).

Lender

Date

**Tennessee Housing Development Agency
Disclosure of Loan Terms
Hardest Hit Fund Down Payment Assistance Loan Program**

I, the undersigned borrower ("Borrower(s)"), acknowledge that I am applying for assistance from Tennessee Housing Development Agency (THDA) under THDA's Hardest Hit Fund Down Payment Assistance Loan Program ("HHF DPA Loan Program") in the form of a second mortgage loan ("HHF DPA Loan"), to utilize for down payment and/ or closing costs assistance.

This disclosure form is required to be presented to me by the lender handling this HHF DPA Loan for me ("my Lender") before settlement and/or closing of the HHF DPA Loan when a Loan Estimate (LE) on the HHF DPA Loan is not provided.

As a Borrower under the HHF DPA Loan Program, I understand that the HHF DPA Loan has the following terms and conditions and certify that each of the following terms and conditions were explained to me by the my Lender at a time prior to the closing of the HHF DPA Loan:

- A HHF DPA Loan is only available in connection with a THDA Great Choice Loan.
- The amount of the HHF DPA Loan is \$15,000.
- The term is 10 years.
- The outstanding principal balance is forgiven at the rate of 20% per year in years 6-10 of the term.
- The interest rate is 0% and is non-amortizing, therefore no monthly payments are required.
- There are no costs or fees charged by THDA and the APR will be 0%.
- A Good Faith Estimate is required for the HHF DPA Loan.
- The HHF DPA Loan is secured by the same property that secures the Great Choice Loan and will be recorded in second position behind only the deed of trust for the Great Choice Loan and any encumbrances permitted in connection with the Great Choice Loan.
- A default under the Great Choice Loan I am obtaining in connection with this HHF DPA Loan is also a default under this HHF DPA Loan and, in connection with such default, the terms described herein may no longer apply.
- The HHF DPA Loan is due upon the sale of the property securing the Great Choice Loan and the HHF DPA Loan or upon the refinance of the Great Choice Loan.
- The HHF DPA Loan cannot be assigned or assumed.
- A grant will be provided to my Lender by THDA on my behalf for \$50 of the cost of the recording fees of the HHF DPA Subordinate Deed of Trust.
- If I have any questions about the HHF DPA Loan I am encouraged to ask my Lender or contact THDA for additional information at SFask@thda.org or 1-615-815-2100.

Borrower

Date

Co-Borrower

Date

Lender

In connection with this application for a HHF DPA Loan, I, the undersigned duly authorized representative of _____, the Lender referenced in this Certification, certify as follows:

- a. The scheduled closing date for this Great Choice Loan and HHF DPA Loan is _____, 20__.
- b. The Borrower(s) will not receive any cash at closing as a result of, or from, proceeds from the HHF DPA Loan. Any "Net Funds to Borrower" at closing will be only those allowed under the THDA Originating Agent Guide, Section 7.5 D.

Lender

Date

**Tennessee Housing Development Agency
Hardest Hit Fund Down Payment Assistance Loan Program
Certification**

I, the undersigned borrower(s), certify under penalty of perjury, as follows:

- that all information I have given on the Uniform Residential Loan Application (“URLA”) provided in connection with my application for a THDA Great Choice Loan and for a Hardest Hit Fund Down Payment Assistance Loan, other documents or materials as may be required by Tennessee Housing Development Agency (“THDA”), and in any accompanying statements, is complete, true, and correct;
- that THDA is entitled to rely on all information provided and representations made in the URLA as if provided in this Certification, including, without limitation, the Acknowledgement and Agreement set forth in Section IX of the URLA.

I acknowledge that knowingly failing to disclose material information to THDA, or making or causing to be made a false, or fraudulent statement or misrepresentation of material fact in an application for assistance under the THDA Hardest Hit Fund Down Payment Assistance Loan Program, may constitute a crime punishable under State and/or Federal law. I acknowledge that any material omission or false, fictitious, or fraudulent statement or representation or entry could be the basis for civil penalties and assessments under State and/or Federal law.

Dodd-Frank Certification

The following information is required to be provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) (“Dodd-Frank”). **You are required to furnish this information. If you do not provide this information, you will not be eligible for a Hardest Hit Fund Down Payment Assistance Loan.**

Dodd-Frank provides that no person shall be eligible to receive assistance from the Hardest Hit Program, authorized under the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 *et seq.*), or any other mortgage assistance program authorized or funded by that Act, if such person, in connection with a mortgage or real estate transaction, has been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud, or forgery; (B) money laundering; or (C) tax evasion.

I/we certify under penalty of perjury that I/we have not been convicted within the last 10 years of the date of this Certificate of any one of the following in connection with a mortgage or real estate transaction:

- (a) felony larceny, theft, fraud, or forgery;
- (b) money laundering; or
- (c) tax evasion.

I/we understand that THDA, the U.S. Department of the Treasury, or their agents may investigate the accuracy of my statements by performing routine background checks, including automated searches of federal, state and county databases, to confirm that I/we have not been convicted of such crimes. I/we also understand that knowingly submitting false information may violate Federal law.

This Certificate is effective on the earlier of the date listed below or the date received by your lender.

Borrower Signature

Date

Co-Borrower Signature

Date

SUBSTITUTE GFE FORM FOR THDA SUBORDINATES

Second Mortgage Good Faith Estimate Disclosure

HHF-DPA Mortgage LoanName of Applicant(s): _____

Application/Loan No: _____

Date Prepared: _____

Property Address: _____
_____Prepared by: **TENNESSEE HOUSING DEVELOPMENT AGENCY**

502 Deaderick St., Third Floor

Nashville, TN 37243

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimated – actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Total Loan Amount: \$15,000**Interest Rate: 0%****Term: 120 months****800 ITEMS PAYABLE IN CONNECTION WITH LOAN:**

801	Loan Origination Fee	\$
802	Loan Discount	
803	Appraisal Fee	
804	Credit Report	
805	Lender's Inspection Fee	
808	Mortgage Broker Fee	
809	Tax Related Service Fee	
810	Processing Fee	
811	Underwriting Fee	
812	Wire Transfer Fee	

1100 TITLE CHARGES:

1101	Closing or Escrow Fee	\$
1105	Document Preparation Fee	
1106	Notary Fees	
1107	Attorney Fees	
1108	Title Insurance	

1200 GOVERNMENT RECORDING & TRANSFER CHARGES:

1201	Recording Fees	\$
1202	City/County Stamps	
1203	State Tax Stamps	

1300 ADDITIONAL SETTLEMENT CHARGES:

1302	Pest Inspection	\$
1303	THDA Grant	(\$ 50.00) paid by THDA
1304	Homebuyer Education	(\$ 250.00) POC paid by THDA

Estimated Closing Costs: \$

You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.

These estimates are provided pursuant to the real Estate settlement Procedure Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet at www.hud.gov/RESPA.

Applicant Signature_____
Applicant Signature