

ORIGINATING AGENTS GUIDE REVISION 123

July 20, 2017

Remove and discard:

Table listing pages to be removed and discarded, including Page 2, 29, 30, 31, 32, 49, 50, 51, and 52 with their respective revision dates.

Replace with enclosed:

Table listing pages to be replaced with enclosed versions, including Page 2, 29, 30, 31, 32, 49, 50, 51, and 52 with their respective revision dates.

Forms

Table listing various forms such as Federal Recapture Tax Requirements, Closed Loan Submission Checklist, Underwriting Submission Checklist, and Disclosure of Loan Terms for Great Choice Plus, along with their form numbers and revision dates.

EFFECT OF CHANGE

Effective August 1, 2017, the borrower's title commitment must be submitted with the underwriting package. All matters shown in the public records for the proposed borrower that would be exclusions from coverage, on Schedule B or otherwise, must be shown.

This Revision contains updated THDA forms and pages to the guide affected by the revisions.





# **Originating Agents Guide**

JANUARY 2014

Latest Revision: 07/20/17

Single Family General Information..... 615-815-2100  
Toll-Free Voice Mail..... 1-800-228-8432  
Fax (24 hours a day, 7 days a week) ..... 615-564-2881

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## **SECTION 6: SUBMITTING AN APPLICATION FILE TO THDA**

### **6.1 OVERVIEW**

Originating Agents must present accurate and complete information with each application file. Information withheld or misrepresented may void a Commitment or if discovered subsequent to loan closing, could result in a requirement for repurchase of the loan. Should the Originating Agent become aware prior to closing that either the household composition first proposed, and/or the household income first proposed has changed or will change prior to closing, THDA must be notified immediately and updated loan documentation must be submitted.

The application file as submitted to THDA, must have all documentation being submitted in the order shown on the THDA Underwriting Submission Checklist.

### **6.2 REQUIRED DOCUMENTS**

#### **A. Underwriting Submission Checklist**

Include this form with each application file submitted to THDA for underwriting. See Section 9. If the borrower(s) is applying for the Great Choice Plus loan in conjunction with their application for a Great Choice loan, both blocks under Program Type must be checked.

#### **B. Buyer Profile**

A completed Buyer Profile must be included in the application file when submitted for THDA underwriting. See Section 9 for instructions.

#### **C. Application Affidavit**

The original executed and notarized Application Affidavit must be uploaded as part of the loan submission package. The Application Affidavit must be signed by each loan applicant. Married applicants must both sign the Application Affidavit and meet first-time homebuyer eligibility requirements, even if a non-qualifying applicant or spouse is involved.

#### **D. Veteran Exemption Application Affidavit**

The original executed and notarized Veteran Exemption Application Affidavit must be received as part of the loan submission package if the veteran is applying under the exception to the three year requirement. Married veteran applicants must both sign the Veteran Exemption Application Affidavit and the veteran's spouse does not have to meet the three year requirement.

#### **E. Seller Affidavit**

The seller of the property must execute a Seller Affidavit for each application file submitted to THDA. The original Seller Affidavit must be retained by the lender. See Section 9 for additional information.

## **F. Tax Returns**

Copies of signed and dated Federal Income Tax Returns, including W-2's, for the most recent tax year for the Applicant(s) and/or any non-qualifying spouse must be included in the initial application file. A Federal Income Tax Return also must be included in the initial application file for any household member 18 years or older who is required to file a Federal Income Tax Return.

If an Applicant or other household member 18 years of age or older cannot provide a copy of their most recent Federal Income Tax Return, they must obtain an IRS Tax Transcript or IRS Letter 1722, which are available from the IRS office where the tax return was filed. The Tax Transcript must be signed and dated by the tax payer. Transcripts may be ordered by using IRS Form 4506. If an Applicant or household member was not required to file a Federal Income Tax Return, provide a signed and dated statement specifying why they were not required to file.

THDA, at its sole discretion, may require the most recent three years Federal Income Tax Returns if there is any indication in the loan file of prior homeownership.

## **G. Notice To Applicants Federal Recapture Requirements**

This THDA disclosure is required for all loan types and must be signed at the time of application. Include the signed original in the application file. Furnish the Applicant a copy of the signed original.

## **H. Grants/Downpayment Assistance Approval Letters**

If the Applicant expects to receive a grant or downpayment assistance from an entity other than THDA to facilitate the purchase of the property, include an approval/award letter from the granting organization indicating the type of assistance and the approved amount in the application file. The granting entity must be approved by the insured or guarantors and meet all the guidelines.

## **I. Transmittal Summary (Conventional and USDA/RD)**

Include a Transmittal Summary with each conventional and USDA/RD application. This form is considered as the Originating Agent's underwriting approval and must be signed and dated by the underwriter.

## **J. Insurance/Guaranty Approval**

Based on the applicable loan type, include a copy of one of the following, accompanied by a copy of its condition sheet (if approved with conditions):

1. FHA/Mortgage Credit Analysis Worksheet signed and dated by a DE Underwriter if manually underwritten. If using LP or DU automated underwriting systems and states an Accept/Approve, then an underwriter's signature is not required. CHUMS number must be ZFHA; or
2. VA (or VA Automatic) approval signed and dated by VA or the Originating Agent's Automatic underwriter; or
3. Executed USDA/RD 1980-18.

**K. 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.

**L. 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.

**M. 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.

**N. 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.

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

See Sections 5.3 and 5.4.

**P. 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.

**Q. 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.

**R. Verification of Deposit or Bank Statements for Previous Two Months**

See Sections 5.3.

**S. Sales Contract**

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

**T. FHA Conditional Commitment**

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

**U. 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.

**V. 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.

**W. 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.

**X. Good Faith Estimate**

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

**Y. Title Commitment**

Title commitment must be provided to determine if borrowers have any tax liens. Title searches must include public record information.

**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.

## SECTION 9: THDA FORMS AND INSTRUCTIONS

As a result of Tax Code requirements, THDA must require certain forms. Application files or closed loan packages that do not contain fully executed THDA forms, as required, will not be accepted by THDA. These forms must be included in THDA application files and in THDA closed loan packages as indicated in this Guide. THDA forms are in addition to the typical forms utilized in the mortgage industry. These forms are to be considered part of this Guide.

THDA forms may not be altered.

THDA forms may not be distributed to a lender who is not an Originating Agent or to any other unauthorized individual or entity.

Detailed instructions for completion of each THDA form follows in the order that they are typically encountered in the lending process:

- Application Affidavit HO-0450 (03/11)
- Veteran Exemption Application Affidavit HO-0460 (02/07)
- Notice to Applicants Federal Recapture Requirements HO-0448 (07/17)
- Seller Affidavit HO-0451 (09/99)
- Buyer Profile HO-0439 (02/15)
- Underwriting Submission Checklist HO-0549 (07/17)
- Affidavit of Affixation HO-0453 (12/06)
- Legally Enforceable Obligation Letter HO-0476
- Closed Loan Submission Checklist HO-0541 (07/17)
- THDA Rider HO-0440 (08/03)
- Request for Loan Purchase with Acknowledgement and Certification HO-0444 (10/14)
- Good Faith Estimate for Second Mortgage HO-0575 (07/17)
- Disclosure of Loan Terms for Great Choice Plus Second Mortgage Loan HO-0574 (02/17)
- Disclosure of Loan Terms for HHF-DPA HO-0574-HHF (07/17)
- Good Faith Estimate for HHF-DPA HO-0575-HHF (07/17)
- Program Certification for HHF-DPA HO-0580-HHF (03/17)

### **APPLICATION AFFIDAVIT HO-0450 (03/11)**

### **VETERAN EXEMPTION APPLICATION AFFIDAVIT HO-0460 (02/07) (If Applicable)**

The Application Affidavit or Veteran Exemption Application Affidavit (if applicable Application Affidavit) must be executed by each applicant and non-qualifying spouse. The household income figure to be provided in item #4 is the maximum allowable income for the size of the applicant's household and location of property. The acquisition cost figure for Great Choice is to be provided in item #5 is the maximum THDA acquisition cost for the county in which the property is located. The original Application Affidavit or Veteran Exemption Application Affidavit is required by THDA. All changes or whiteouts must be initialed by the Applicant(s).

Each Application Affidavit or Veteran Exemption Application Affidavit, must be executed and notarized within the State of Tennessee; however, in rare circumstances, an Application Affidavit or Veteran Exemption Application Affidavit may be executed and notarized outside the State of Tennessee, such as when a person is a member of the armed forces, is stationed outside the state and is unable to be present while the application is being processed.

## **NOTICE TO APPLICANTS FEDERAL RECAPTURE REQUIREMENTS HO-0448 (07/17)**

This form is mandatory for all THDA loan applications. The Applicant and all Co-Applicants must sign and date the form at the time of application. Provide a copy to the Applicant. Enclose the original signed and dated form in the application file when submitted for THDA underwriting.

## **SELLER AFFIDAVIT HO-0451 (09/99)**

The seller of the property must complete a Seller Affidavit for each application file submitted to THDA. The Seller Affidavit is to assist in determining whether the purchase of the property involves more than the purchase price specified in the sales contract.

The seller must sign and date the Seller Affidavit, and it must be notarized. Enclose the original Seller Affidavit in the application file when submitting for THDA underwriting. In the absence of the original Affidavit at the time of loan approval, a prior to closing contingency will be THDA receipt of the original.

## **BUYER PROFILE HO-0439 (02/15)**

This form is critical to facilitate accurate reports by THDA. Complete this form accurately and completely and enclose it with the application file when submitted for THDA underwriting.

## **UNDERWRITING SUBMISSION CHECKLIST HO-0549 (07/17)**

Use this form as a cover sheet for all application files submitted to THDA.

Follow the checklist closely and complete all information. Items omitted may cause the application file to be returned for completion and resubmission. Do not change the size of this form.

The checklist has five main sections:

1. General Information.
2. THDA Program Eligibility. Must include original documents, notarized as indicated.
3. Great Choice Plus Loans/Downpayment/Closing Cost Assistance. Must be documented as indicated, if applicable.
4. Credit Package. Must include documentation, as indicated.

Originating Agent Information: Provide complete information, including the Originating Agent's four-digit O. A. Number as assigned by THDA. An omitted or incorrect Originating Agent number and omitted or incorrect branch address are the primary causes of misdirected commitments and misdirected funding checks.

Primary Applicant: Include primary Applicant's name as it will appear on all documents. It must be accurate and consistent.

Property Address: Must be accurate and consistent on all documents.

Submission Purpose: As indicated, this form may be used for purposes in addition to the initial submission of an application file.

Program Type: Indicate the desired THDA loan program.

Loan Type: Indicate whether the loan type is FHA, VA, Conventional or USDA/RD.

Property Type: Indicate the correct property type. Check the appropriate block to indicate a residence that is a single family detached or a condominium. Check "Other" and indicate in the blank

provided if the residence is a 2, 3 or 4 family home, or is a PUD, townhouse, zero lot line, modular or manufactured home.

#### THDA Program Eligibility/Credit Package

A check mark, an “X” or “N/A” must be indicated for each document listed on the form. Refer to Section 6.2 for additional information.

An Originating Agent staff member’s signature, printed or typed name and telephone number must appear at the bottom of the checklist. Without this information, the file is considered incomplete. In addition, if this information is omitted, THDA does not know who to call if questions arise.

#### **AFFIDAVIT OF AFFIXATION HO-0453 (12/06)**

An original Affidavit of Affixation is required on all manufactured home loans and must be recorded as a separate document. It cannot be recorded with or attached to the Deed of Trust for recordation.

#### **LEGALLY ENFORCEABLE OBLIGATION LETTER HO-0476**

For any Great Choice loans insured by FHA/HUD the Originating Agent will receive a Legally Enforceable Obligation Letter (LEOL) attached to the THDA Loan Commitment. HUD/FHA requires that THDA provide a Legally Enforceable Obligation Letter when THDA has agreed to provide DPA funds in the form of the Great Choice Plus loan. The Borrower(s) is to sign the LEOL at closing and a copy of the executed LEOL must be sent back to THDA with the initial closing submission package in order for THDA to purchase the Great choice Plus loan.

The Originating Agent is to retain the original LEOL in their loan file to accompany the FHA insurance application associated with the first mortgage.

#### **CLOSED LOAN SUBMISSION CHECKLIST HO-0541 (07.17)**

Use this form when submitting all closed loan files to THDA, regardless of the source of funding. This form can also be used as a checklist for submission of follow-up documentation. Complete all items on this form. Do not change the size of this form.

#### **THDA RIDER HO-0440 (08/03)**

The THDA Rider must be completed, executed, attached to and recorded with the deed of trust for all THDA first mortgage loans, regardless of loan type. The THDA Rider must be signed by all Borrowers who are required to sign the first deed of trust and recorded with the deed of trust.

#### **REQUEST FOR LOAN PURCHASE WITH ACKNOWLEDGEMENT AND CERTIFICATION HO-0444 (10/14)**

All loans closed by the Purchase Method must be accompanied by an executed Request For Loan Purchase with Acknowledgement and Certification when delivered to THDA. By submitting a loan file for purchase by THDA, each Originating Agent is deemed to affirm the Acknowledgement and Certification appearing on the master form of the Request For Loan Purchase with Acknowledgement and Certification with respect to each loan file submitted regardless of whether the Acknowledgement and Certification is included with the form submitted with a particular loan file.

*Provide all information indicated. Check the appropriate box indicating whether the loan file is complete in all respects or not. Sign and date where indicated, print name and title, and provide telephone number. Omitted information may cause the loan file to be returned to the Originating Agent.*

**GOOD FAITH ESTIMATE FOR SECOND MORTGAGE HO-0575 (07.17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**DISCLOSURE OF LOAN TERMS FOR GREAT CHOICE PLUS SECOND MORTGAGE LOAN HO-0574 (03/03/17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**DISCLOSURE OF LOAN TERMS FOR HHF-DPA HO-0574-HHF (07.17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**GOOD FAITH ESTIMATE FOR HHF-DPA HO-0575-HHF (07/17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**PROGRAM CERTIFICATION FOR HHF-DPA HO-0580-HHF (03/17)**

This disclosure is required by the Department of Treasury on all HHF-DPA loans.

**Tennessee Housing Development Agency (THDA)**

*Notice to Applicants*

**FEDERAL RECAPTURE TAX REQUIREMENTS**

IMPORTANT INFORMATION

APPLICATION DISCLOSURE

PLEASE READ

(to be provided to the Applicant at time of application)

As a result of a law passed by Congress in 1988, you may, under certain circumstances, be subject to a recapture tax designed to recover some amount of the subsidy reflected in your below market interest rate. This notice contains a brief description of this recapture tax and how it may affect you. THDA recommends, however, that you consult a tax advisor if you have questions about the recapture tax and that you consult a tax advisor at the time you sell or otherwise dispose of your home financed with a THDA loan.

There is no recapture tax if you own your home for more than nine years from the date you close your THDA loan. If you do sell or otherwise dispose of your home within nine years from the date you close your THDA loan, you are subject to the recapture tax and must determine whether you need to pay recapture tax to the federal government.

Several factors determine whether you must pay any recapture tax. These factors include your original loan amount, the length of time you own your home financed with the THDA loan, your income and family size at the time of sale, and the gain that you realize on the sale of your home. Since your income and family size may change during the time you own your home and since gain cannot be determined until an actual sale occurs, there is no way to predict whether you will have to pay recapture tax. Regardless of these factors, any recapture tax you may have to pay is limited to the lesser of (i) your original THDA loan amount times 6.25 or (ii) half of the actual gain from the sale or other disposition of your home financed with the THDA loan.

If you sell your home to a buyer eligible to assume the THDA loan, you must still determine whether you owe recapture tax. The buyer is also subject to the recapture tax for nine years beginning on the date your sale to the buyer is closed.

The recapture tax applies to any disposition of your home financed with the THDA loan, whether by sale, exchange, involuntary conversion, or any other transfer of any interest. If you refinance your THDA loan (without selling your home), no recapture tax is due at the time of refinancing, however, you may still owe recapture tax if you sell your house after the refinancing and the sale occurs within nine years from the date you closed your THDA loan.

If your home is damaged or destroyed by fire, storm, or other casualty, you may not owe recapture tax, if within two years, you rebuild your principle residence on the same site. Generally, you may not owe recapture tax if you transfer your home to a spouse, or a former spouse as a result of a divorce, or if your home is transferred as a result of your death.

The undersigned acknowledges that I/we have read and understand the above disclosure.

Applicant: \_\_\_\_\_

Date: \_\_\_\_\_

Applicant: \_\_\_\_\_

Date: \_\_\_\_\_

**Tennessee Housing Development Agency (THDA)**  
**Closed Loan Submission Checklist**

OA Name: \_\_\_\_\_ THDA Loan #: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_ Primary Borrower: \_\_\_\_\_  
 Phone: (\_\_\_\_\_) \_\_\_\_\_ Date Loan Closed: \_\_\_\_\_

Please upload package to: **OLS.THDA.ORG**

In each space below, check items enclosed, or enter “**TF**” (to follow), or “**NA**” (not applicable). Assemble package in order listed. All items except those with an asterisk must be in package at initial delivery (which must be within 10 days of the date loan closed). All items must be complete, fully executed, dated and notarized, if required, all as indicated in each document and the Originating Agents’ Guide.

- \_\_\_ Evidence of wire for initial escrow deposit to THDA
- \_\_\_ Request for Loan Purchase with Acknowledgement and Certification
- \_\_\_ Power of Attorney, if applicable
- \_\_\_ Initial Escrow Account Disclosure
- \_\_\_ Executed Enforceable Obligation Letter (FHA only)
- \_\_\_ Original Note, endorsed to THDA
- \_\_\_ Original Second Mortgage Note
- \_\_\_ \*Recorded Deed of Trust and Riders, if applicable; copy of unrecorded with closing package
- \_\_\_ Recorded second mortgage deed of trust, if applicable; copy of unrecorded with closing package
- \_\_\_ \*Recorded Affidavit of Affixation (Manufactured Homes)
- \_\_\_ \*Recorded Assignment from OA to THDA (n/a if MERS documents submitted) if applicable
- \_\_\_ \*Title Insurance Policy with THDA named as insured
- \_\_\_ Executed Warranty Deed (Certified copy of recorded Warranty Deed if Manufactured Home)
- \_\_\_ Signed Closing Disclosure
- \_\_\_ THDA Settlement Statement (HUD-1) for second mortgage
- \_\_\_ Revised Loan Estimate (if applicable)
- \_\_\_ Final executed 1003
- \_\_\_ Hazard Insurance policy declarations page or Certificate of Insurance with THDA as named insured, maximum deductible of \$2500
- \_\_\_ Life of Loan Flood Hazard Determination
- \_\_\_ Notice to Borrower in Special Flood Hazard Area, if applicable
- \_\_\_ Flood Insurance Application with THDA as named insured and copy of premium check (if applicable)
- \_\_\_ Address Certification (if applicable)
- \_\_\_ Name Affidavit (if applicable)
- \_\_\_ Copy of clear Termite Letter or soil treatment certificate (if applicable)
- \_\_\_ Escrow Agreement for Repairs or Completion of Construction (if applicable)
- \_\_\_ THDA Commitment conditions satisfied
- \_\_\_ IRS Form 4506
- \_\_\_ Final inspection, if applicable
- \_\_\_ Hello/Goodbye letter – Notice of Transfer of Servicing
- \_\_\_ \*Copy of MIC/LGC/Original RECD 1980-17, **OR** as applicable:
  - \_\_\_ *Lender query from FHA connection reflecting THDA as the holder*
  - \_\_\_ Copy of completed USDA/RD 1980-11 and 1980-18 (conditional commitment)
- \_\_\_ **PRIOR TO PURCHASE** -- Original Certificate of Title or Original Manufactured Certificate of Origin (Manufactured Home) if not included in Underwriting Submission Package

**FINAL MANDATORY DELIVERY DATE FOR ALL ITEMS:**

Closing date + 120 days = \_\_\_\_\_, \_\_\_\_.

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

OA Number: \_\_\_\_\_ Primary Applicant: \_\_\_\_\_  
 OA Name: \_\_\_\_\_ Property Address: \_\_\_\_\_  
 OA Address: \_\_\_\_\_ Applicant's Email: \_\_\_\_\_

- |   |   |                                       |   |
|---|---|---------------------------------------|---|
| <b>Program Type:</b>  | <b>DU/LP Recommendation</b>               | <b>Loan Type:</b>                     | <b>Property Type:</b>                           |
| <input type="checkbox"/> Great Choice-1 <sup>st</sup> Mortgage      | <input type="checkbox"/> Approve/Eligible | <input type="checkbox"/> FHA          | <input type="checkbox"/> Single Family Detached |
| <input type="checkbox"/> Great Choice Plus-2 <sup>nd</sup> Mortgage | <input type="checkbox"/> Refer/Eligible   | <input type="checkbox"/> VA           | <input type="checkbox"/> Condo                  |
| <input type="checkbox"/> Homeownership for the Brave                | <input type="checkbox"/> Manual No Score  | <input type="checkbox"/> USDA/RD      | <input type="checkbox"/> Manufactured Home      |
| <input type="checkbox"/> HHF DPA                                    |   | <input type="checkbox"/> Conventional | <input type="checkbox"/> 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. Notice to Applicants Federal Recapture Requirements (signed copy)
- 5. Homebuyer Education Certification, HHF-DPA Combo Certificate
- 6. Disclosure of Loan Terms for Great Choice Plus second mortgage (if applicable)
- 7. Disclosure of Loan Terms for HHF-DPA second mortgage (if applicable)
- 8. HHF-DPA Program Certification (if applicable)
- 9. Initial Good Faith Estimate for Great Choice Plus mortgage loan or HHF-DPA mortgage loan

**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. Final Loan Application (Typed URLA) 1003 (3 year residency should be stated)
- 16. Initial Interviewer's Signed Loan Application 1003 (3 year residency should be stated)
- 17. Credit Report and credit explanation letters (if applicable)
- 18. Final Divorce Decree/Marital Dissolution (if applicable)
- 19. Verification of Court Ordered Child Support/Parenting Plan
- 20. Verification of SSI or Other Assistance
- 21. Verifications of Employment (verbal is unacceptable)
- 22. Most Recent Pay Stub (within past 30 days)
- 23. Signed and Dated Tax Returns with all schedules and W-2s for the most recent tax year including non-qualifying spouse
- 24. IRS Non-Filing Confirmation for most recent tax year including non-qualifying spouse
- 25. Verifications of Prior Employment (telephone verification is acceptable)
- 26. Self-Employment Cash Flow Worksheet, P & L, 2 years Business Tax Returns (corp. or partnership or sole prop.)
- 27. Verification of Deposit OR Borrower's Bank Statements for the previous two months
- 28. Gift Letter
- 29. Sales Contract and Addendum (Copy)
- 30. Title Commitment
- 31. Appraisal Report (URAR) and Condition Sheet with VC Sheet/USDA-RD Conditions, and executed conditional commitment (928005.b), VA CRV
- 32. Final Inspection and Legible Photos of Subject Property (front, rear, street) and Photos or Photocopies of comparable sales
- 33. Flood Notification (if applicable, signed by Applicant or certified date mailed to Applicant) (Copy)
- 34. Grant/Down payment assistance approval letters
- 35. Original Certificate of Title or Original Manufactured Certificate of Origin (Mobile/Manufactured Homes)
- 36. FHA 203(h) Proof of permanent residence (if applicable)
- 37. 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.
- 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](mailto: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.

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:

- I understand and consent to the disclosure of my personal information and information about the terms and status of my HHF DPA Loan to the U.S. Department of the Treasury.
- An 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%.
- I have received a Good Faith Estimate in connection with 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 refinancing of the Great Choice Loan.
- The HHF DPA Loan cannot be assigned or assumed.
- The property I am acquiring with the Great Choice Loan and the HHF DPA Loan is an existing housing unit and is not new construction.
- 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](mailto: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:

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

**SUBSTITUTE GFE FORM FOR THDA SUBORDINATES**

Second Mortgage Good Faith Estimate Disclosure

Great Choice Plus Mortgage Loan

Name 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: \$**                      **Interest Rate: 0%**                      **Term: 360 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:**

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

**1300 ADDITIONAL SETTLEMENT CHARGES:**

1202	Pest Inspection	\$
<b>1203</b>	<b>THDA Grant</b>	<b>( \$ 50.00 ) paid by THDA</b>
<b>1204</b>	<b>Homebuyer Education</b>	<b>( \$ 150.00 ) POC paid by THDA</b>

*Estimated Closing Costs:*                      \$

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

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Applicant Signature

**SUBSTITUTE GFE FORM FOR THDA SUBORDINATES**

Second Mortgage Good Faith Estimate Disclosure

**HHF-DPA Mortgage Loan**

Name 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:**

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

**1300 ADDITIONAL SETTLEMENT CHARGES:**

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

*Estimated Closing Costs:* \$

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

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Applicant Signature