

Ralph M. Perrey, Executive Director



**ORIGINATING AGENTS GUIDE
REVISION 152**

March 24, 2020

Remove and discard:

Replace with enclosed:

Page 3 (Revised 12/20/19) Page 3 (Revised 03/26/20)

EFFECT OF CHANGE

Effective March 26, 2020, the interest rate on the Great Choice Loan Program applications will be increased to 4.00%. Based on this rate, the Homeownership for the Brave Loan Program will increase to 3.50%.

All interest rate locks received by THDA on or after Thursday, March 26, 2020, will be locked at the higher rate. All complete application submissions or rate locks received by THDA prior to March 26, 2020, and outstanding commitments at the lower rates of 3.75% for Great Choice and 3.25% for the Homeownership for the Brave will close at those respective 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%.

Maximum Household Income	Varies by county
Maximum Acquisition Cost (Including all incidentals)	Varies by county
Maximum LTV	Subject to FHA, VA, and USDA/RD Guidelines. Conventional Loans 78% LTV or less.
Interest Rate	4.00% fixed rate, subject to change
Loan Term	30 years
Loan Types	FHA, VA, USDA/RD, Conventional
Mortgage Insurance or Guarantee	As required by loan type
Buydowns	Not allowed
Assumable	Subject to qualifying
Pre-Payment Penalty	No penalty
Subject to Recapture	Yes
Required Reserve	As required by loan type
Minimum Investment	As required by loan type
Closing Costs	May come from borrower, seller, a gift, or as required by loan type
Down Payment	As required by loan type
First Time Homebuyer Rule	Borrower must not have an interest in their primary residence within 36 months of application unless the property to be financed with the loan is in a targeted area or the borrower meets the Veteran's exemption. (See THDA website for targeted areas.)
Homebuyer Education	Required
Origination Fee	Up to 2% maximum