

Ralph M. Perrey, Executive Director



**ORIGINATING AGENTS GUIDE
REVISION 161**

August 28, 2020

Remove and discard:

Replace with enclosed:

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EFFECT OF CHANGE

Effective September 1, 2020, the interest rate on the Great Choice Mortgage Loan Program will decrease to 3.00%. Based on this rate, the Homeownership for the Brave Mortgage Loan Program will decrease to 2.50%.

All interest rate locks **received by THDA on or after Tuesday September 1, 2020**, will be locked at the lower rate. All rate locks received by THDA **prior to September 1, 2020**, and outstanding commitments at the higher rates of 3.50% for Great Choice and 3.00% 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 \$7,500 at an interest rate that is the same as the first mortgage rate, monthly payments amortized over 15 years, 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	3.00% 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	Cannot be charged
Lender Compensation	1.75% at time of loan purchase, 1% SRP