

THDA LENDER NOTICE: #2024-1

January 3, 2024

SUBJECT: Down Payment & Closing Cost Assistance Changes Reminder

Effective with rate locks as of Thursday, February 1, 2024, THDA will be implementing program changes to the Great Choice Plus, Homeownership for Heroes Plus and HFA Advantage Plus mortgage loan programs. THDA will continue to offer two second mortgage loan program options that are available across the entire state for Down Payment Assistance (DPA).

Great Choice Plus-Payment, Homeownership for Heroes Plus-Payment, and HFA Advantage Plus-Payment Terms:

- Loan amount assistance is up to 5% of the Sales Price for sales prices up to \$300,000.
- Sales price greater than \$300,000 up to \$400,000, loan amount assistance is up to \$15,000.
- \$15,000 is the maximum DPA available.
- 30-Year Term Amortizing
- Interest rate is the same as the first mortgage.
- Monthly payment must be considered in the debt ratio.
- Second mortgage loan will be locked simultaneously with the first mortgage.

All loan products listed with the Deferred (No Payment) DPA option will not change.

The current DPA option of 6% will be suspended from rate lock options as of the close of business on Wednesday, January 31, 2024. All loans that are currently locked in THDA's loan portal should close with the existing terms as outlined in the rate lock confirmation and [Originating Agent's Guide](#). Only one 30-day extension is available. Please provide a copy of this notice to your Information Technology Department to prepare for any required system changes to your Loan Origination System.

Please continue to utilize the subordinate lien documents that are on [THDA's website](#). THDA requires MERS to be used for our second mortgages. Please ensure the first and second mortgage loans have the appropriate MIN listed, paper assignments are no longer acceptable.

The HFA Advantage Mortgage Loan Program will continue to utilize the 80% AMI threshold for determination of the private mortgage insurance coverage. Please refer to the LPA Feedback results to determine appropriate coverage.

THDA LENDER NOTICE: #2024-2

January 12, 2024

SUBJECT: Additional Information/Training for Down Payment Assistance Changes

THDA is providing additional information regarding the upcoming Down Payment Assistance changes, effective with rate locks as of Thursday, February 1, 2024. Complete information regarding these changes can be found in [LN #2023-35](#).

For an easier transition for rate locks, THDA is discontinuing the current program names and the replacement names will be in place on the effective date.

For Optimal Blue customers, you will be receiving a notice which includes this same process.

A modification to our rate sheets will also take place to provide an easier reference for rate locks, an example is attached.

THDA will be offering 20-minute training sessions to go over the new Down Payment Assistance changes (effective February 1, 2024) on each Tuesday, Wednesday, and Thursday between January 16th and February 1st. to walk our lenders through these changes including tools to assist with locking rates efficiently.

Registration links for each day and time can be found on our [Lender Training Page](#).

**Interest Rates for THDA's
Mortgage Loan Programs**



****Rates as of 1/8/2024 8:30 a.m.****

**Secondary Market Interest Rates-
Freddie Mac HFA Advantage**

Compensation at purchase 1% Origination allowed up to 1% SRP .75% upon completion of file/timely delivery

Second Mortgage DPA locked simutenously when "Plus" Program Type is selected

Program Name	Without DPA (1st Mtg Only)	Includes DPA Amortizing up to 5% of Sales Price, maximum \$15,000	Includes Deferred DPA No Payment up to \$6,000
Freddie Mac HFA Advantage First Mtg Standalone Only	7.000%		
Freddie Mac HFA Advantage Plus Payment: =<\$300k SP First Mtg with Sales Price less than \$300,000, subordinate DPA up to 5% of the sales price, 30 yr Amortizing, same rate as First Mtg		7.00%	
Freddie Mac HFA Advantage Plus Payment: >\$300k SP First Mtg with Sales Price greater than \$300,000, subordinate DPA up to \$15,000, 30 yr Amortizing, same rate as First Mtg		7.00%	
Freddie Mac HFA Advantage Plus with No Payment First Mtg with Sales Price up to \$400,000, subordinate DPA of \$6,000, no-pmt deferred			7.000%

**** Loans will be locked at the rate in effect at the time of lock in. Lock-in Period: 60 days including delivery**

Locks Accepted: 9:00am until 5:30pm CST *rates subject to change and market rates may adjust at anytime.

Mortgage Revenue Bond Rates-Great Choice-

[All Products FHA, VA, USDA or Uninsured Conv portfolio (78% LTV)] Lock-in Period: 60 day existing constr. 120 days new constr.

Compensation at purchase: 1% Origination allowed up to 1% SRP .75% upon completion of file/timely delivery

Second Mortgage DPA locked simutenously when "Plus" Program Type is selected

Program Name	Without DPA (1st Mtg Only)	Includes DPA Amortizing up to 5% of Sales Price, maximum \$15,000	Includes Deferred DPA No Payment up to \$6,000
Great Choice First Mtg Standalone Only	6.375%		
Great Choice Plus Payment: =<\$300k SP First Mtg with Sales Price less than \$300,000, subordinate DPA up to 5% of the sales price, 30 yr Amortizing, same rate as First Mtg		6.375%	
Great Choice Plus Payment: >\$300k SP First Mtg with Sales Price greater than \$300,000, subordinate DPA up to \$15,000, 30 yr Amortizing, same rate as First Mtg		6.375%	
Great Choice Plus includes No Payment First Mtg with Sales Price up to \$400,000, subordinate DPA of \$6,000, no-pmt deferred			6.375%
Homeownership for Heroes First Mtg Standalone Only	5.875%		
Homeownership For Heroes Plus Payment: =<\$300k SP First Mtg with Sales Price less than \$300,000, subordinate DPA up to 5% of the sales price, 30 yr Amortizing, same rate as First Mtg		5.875%	
Homeownership For Heroes Plus Payment: >\$300k SP First Mtg with Sales Price greater than \$300,000, subordinate DPA up to \$15,000, 30 yr Amortizing, same rate as First Mtg		5.875%	
Homeownership for Heroes Plus includes No Payment First Mtg with Sales Price up to \$400,000, subordinate DPA of \$6,000, no-pmt deferred			5.875%

***rates subject to change and may adjust at anytime.**

Reasonable and customary fees are permitted up to \$1,400.

First Mortgage=30 year term Second Mortgage (DUE ON SALE OR REFINANCE) With Payment=30 year terms, NO PAYMENT=30 YR TERM

This rate sheet is intended for use by originating lenders. Lenders are responsible for disclosures and calculation of APR.

THDA does not provide direct loans to consumers. All loans must be registered through THDA systems.

Only Originating Agents approved by THDA may offer THDA products.

THDA LENDER NOTICE: #2024-3

January 18, 2024

SUBJECT: DPA Changes Reminder and Third Party Fraud Risk Assessment

Third Party Fraud Risk Assessment

If a third-party fraud risk assessment tool such as DataVerify, FraudGuard, LexisNexis, etc is utilized for exclusionary list verification, all pages of the report should be submitted to THDA for review.

Down Payment & Closing Cost Program Changes

As a reminder, effective with rate locks as of Thursday, February 1, 2024, THDA will be implementing program changes to the Great Choice Plus, Homeownership for Heroes Plus and HFA Advantage Plus mortgage loan programs. THDA will continue to offer two second mortgage loan program options that are available across the entire state for Down Payment Assistance (DPA).

Great Choice Plus-Payment, Homeownership for Heroes Plus-Payment, and HFA Advantage Plus-Payment Terms:

- Loan amount assistance is up to 5% of the Sales Price for sales prices up to \$300,000.
- Sales price greater than \$300,000 up to \$400,000, loan amount assistance is up to \$15,000.
- \$15,000 is the maximum DPA available.
- 30-Year Term Amortizing
- Interest rate is the same as the first mortgage.
- Monthly payment must be considered in the debt ratio.
- Second mortgage loan will be locked simultaneously with the first mortgage.

All loan products listed with the Deferred (No Payment) DPA option will not change.

THDA LENDER NOTICE: #2024-4

January 29, 2024

SUBJECT: Early Closing of Rate Lock Desk & DPA Change Reminder

To accommodate the previously announced Down Payment Assistance changes that will be effective Thursday, February 1, 2024, THDA will be closing our rate lock desk early on Wednesday, January 31, 2024 at 3:30 PM Central.

Rate lock availability will be restored at 9:00 AM Central on Thursday, February 1, 2024.

For a reminder of the DPA changes, please refer to [Lender Notice #2023-35](#).

THDA LENDER NOTICE: #2024-5

January 31, 2024

SUBJECT: Standard Subordinate Lien Documents Update

As originally announced in Lender Notice 2021-15, THDA is participating in the Standardized Subordinate Lien Document Project lead by Fannie Mae and Freddie Mac. Effective with loan submissions as of September 2021, THDA adopted these standardized Fannie Mae and Freddie Mac approved forms.

As Fannie Mae and Freddie Mac continue their work in developing standard subordinate lien documents for additional states throughout 2023, changes were identified that added additional consistency and clarity.

Effective with loan closings starting March 1, 2024 the revised forms with a revision date of 10/23 must be used. Early implementation is allowable and encouraged.

Regardless of the DPA, Utilized For All Programs

Form 3800.43 (MERS) Rev. 10/23

Tennessee-Single Family- Freddie Mac/Fannie Mae Standardized Subordinate Security Instrument

Utilized Only For Amortizing Plus-Payment Options (Up To 5%, Max of \$15,000)

Form 3295 Rev 10/23

Multistate Subordinate Amortizing Note -Single Family-Freddie Mac/Fannie Mae Standard Instrument

Utilized Only For Plus-No Payment Deferred Option (Up To \$6,000)

Form 3297 Rev 10/23

Multistate Subordinate Standardized Deferred Payment Note -Single Family-Freddie Mac/Fannie Mae Standardized Instrument

Additional information regarding DPA can be found [here](#).

THDA LENDER NOTICE: #2024-6

February 1, 2024

SUBJECT: General Originating Agent Guide Updates

The intent of THDA's OA Guide is to provide information to our Originating Agents regarding guidelines and/or procedures that differ from Agency Loans and that are specific to THDA loans. In most cases, if a subject is not covered in THDA's guide, please refer to the appropriate Agency's guidelines.

Agency Loans

Throughout the OA Guide, references to insurer and/or guarantor's guidelines have been updated to reflect "Agency". Agency Loans are inclusive of FHA, VA, USDA and Freddie Mac. Since Freddie Mac is a different execution, the HFA Advantage Program will continue to have its own section in the OA Guide, Section X.

Hours of Operation and Holiday Schedule

Juneteenth and the day after Thanksgiving have been added to the holiday schedule.

MRB Income Exclusions

Income for any household member that is not secondarily liable for the mortgage has been added.

Appraisals

If an appraiser observes conditions that require further investigation, the appraiser must make the appraisal "subject to" an inspection by an appropriately licensed professional or another person trained in the particular field of concern, following the appropriate Agency's guidelines. Existing properties with minor needed repairs or deficiencies or deferred maintenance should also follow the appropriate Agency's guidelines. For THDA's uninsured portfolio product, THDA will follow FHLMC selling guide Chapter 5605: Appraisal Requirements.

Child Support and Alimony Obligations

Additional language was added to clarify if an amended order is in place to address delinquency, payments will be considered current.

Creditworthiness

Applicant(s) must show credit worthiness to obtain financing with THDA. A creditworthy individual is a person whose credit background reflects no delinquent accounts or collects, reflects no legal actions that would impair their credit, such as a foreclosure action, judgment, lien or bankruptcy; or reflects legal actions that have been adequately resolved, and/or delinquent accounts or collects that have been adequately resolved or that have an acceptable explanation.

The Lender's underwriter must determine the creditworthiness of the Borrower, which includes analyzing the Borrower's overall pattern of credit behavior and the credit report. Compensating factors cannot be used to compensate for any derogatory credit, however is encouraged if needed to evidence creditworthiness.

Establishing / Re-establishing Credit

Refer to HUD handbook 4000.1 Sufficiency of Credit References for a list of acceptable credit references.

Supplemental Consumer Information Form (Form 1103)

All loans delivered to THDA must include the SCIF. The SCIF (Form 1103) collects information about a borrower's language preference and any homeowner education or counseling that the borrower completed in the prior 12 months.

Loan Amount or Program Type Changes

THDA must receive all new approval documents when loan amounts change, this includes the second mortgages.

Use of MERS System

MERS is required for both the first and second mortgages.

Shipping Address

Due to the relocation of our servicing department in the first quarter of 2024, the address provided in [Lender Notice #2023-13](#) must be utilized to prevent delays in loan purchase and receiving SRP.

The following areas have been updated for clarification purposes:

- Overview for Submitting an Application – pg. 35
- Verification of Employment; Most Recent Pay Stub - pg.37
- THDA Underwriting Decisions – pg.39
- Void Commitments – pg.41
- Other Required Documentation has been changed to Title Policy- pg.44
- Hazard Insurance – pg. 45
- Flood Certification and Flood Insurance – pg.46
- Escrow for Repairs or Completion of Construction – pg.46

THDA LENDER NOTICE: #2024-7

February 6, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 6.5%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 6%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30 day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

All steps, including acknowledgment of terms must be completed at the time of rate lock. Rate lock confirmations are emailed immediately to the lender, if the confirmation is not received timely, please email SFAsk@thda.org.

For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-8

February 15, 2024

SUBJECT: Lender Renewal Launch in Comerence

THDA has partnered with [Comerence by Optimal Blue](#) to launch our new lender application and renewal process.

Effective April 1, 2024, all lender renewals will be launched through the Comerence Platform. The renewal invite will appear on your organization's Comerence Dashboard. The renewal period for document submission will be from April 1st to April 30th.

Helpful Tips:

- Please create a Comerence account for the person responsible for signing in DocuSign for your organization.
- For the IT Form, it must be signed by someone in an IT leadership role.
- Please confirm your renewal point of contact with aholland@thda.org. If there have been any personnel changes, please let her know immediately. There will also be a user audit spreadsheet sent once POC has been confirmed.
- There is a \$250 renewal fee. THDA will issue a discount code for lenders meeting the minimum origination loan volumes listed in our [Originating Agent's Guide](#). These will be sent closer to the renewal date.

We will require the following documents for renewal:

- **THDA Recertification Form** (This will require DocuSign use through Comerence.)
- **IT Recertification Form** (This will require DocuSign use through Comerence.)
- **IT Security Policy and Procedures**
Note: Lender must provide current Information Security Policy. Written notice must also be provided to document any Information Security Incident or Breaches that have taken place in the past three years.
- **Most Recent Audited Financials**
- **QC Pre-Funding Policies and Procedures** (Reviewed within the last year)
- **QC Post-Closing Policies and Procedures** (Reviewed within the last year)
- **W9** (Most current IRS version of October 2018)

If you have any questions, please email aholland@thda.org or sfask@thda.org.

Questions may be directed to sfask@thda.org or 615-815-2100.

THDA LENDER NOTICE: #2024-9

February 21, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 6.625%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 6.125%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30 day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

All steps, including acknowledgment of terms must be completed at the time of rate lock. Rate lock confirmations are emailed immediately to the lender, if the confirmation is not received timely, please email SFAsk@thda.org.

For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-10

February 22, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 6.875%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 6.375%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30 day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

All steps, including acknowledgment of terms must be completed at the time of rate lock. Rate lock confirmations are emailed immediately to the lender, if the confirmation is not received timely, please email SFAsk@thda.org.

For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-11

March 4, 2024

SUBJECT: Interest Rate Decrease- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will decrease to 6.75%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will decrease to 6.25%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30 day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

All steps, including acknowledgment of terms must be completed at the time of rate lock. Rate lock confirmations are emailed immediately to the lender, if the confirmation is not received timely, please email SFAsk@thda.org.

For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-12

March 6, 2024

SUBJECT: Change in Qualified Census Tracts

A Targeted Area is a qualified census tract or an entire county designated where the economic conditions and housing market are highly challenged. The significance of the targeted designation is that the first-time homebuyer requirement does not apply.

Effective March 8, 2024, THDA is implementing the new qualified targeted census tracts as identified in the [Revenue Procedure 2024-8](#) issued by the Internal Revenue Service. "Targeted area residences" are defined in § 143(j)(1)(A) to include residences in a "qualified census tract."

A "qualified census tract", according to § 143(j)(2)(A), is a census tract in which 70 percent or more of the families have income that is 80 percent or less of the statewide median family income. Section 143(j)(2)(B) of the Code provides that the determination that a census tract is a "qualified census tract" must be based on the most recent decennial census for which data is available. These new qualified census tracts are based on information from the 2020 decennial census. This new list supersedes the prior one issued in 2014.

The following census tracts have **added** the designation of Targeted:

Anderson	0207.00				Shelby	0003.00	0007.00	0012.00
Blount	0108.00					0013.00	0037.00	0065.00
Bradley	0102.01	0107.00				0080.00	0081.10	0088.00
Carter	0704.00					0099.01	0100.01	0100.02
Davidson	0104.03	0109.04	0136.00			0103.00	0106.10	0106.20
	0158.05	0160.00	0191.08			0117.00	0205.21	0205.43
Hamblen	1001.00					0211.11	0217.10	0217.21
Hamilton	0023.00					0217.55	0220.25	0220.26
Hardin	9204.02					0223.10	0227.00	0222.10
Knox	0019.00	0020.00	0021.00					
	0032.00							
Maury	0107.00							
McMinn	9702.01	9702.02						
Montgomery	1008.00				Sullivan	0402.00	0405.00	0427.03
Putnam	0003.04							
Robertson	0803.02				Warren	9305.00		
Rutherford	0404.05	0421.01			Washington	0609.01	0609.02	

Questions may be directed to sfask@thda.org or 615-815-2100.

The following census tracts **no longer** have the designation of Targeted as of March 8, 2024. If the borrower is not a first-time homebuyer, any existing rate lock or approved mortgage loan **must close by April 8th**, unless the borrower is an eligible Veteran.

Coffee	9709.00	Rutherford	0419.00
Davidson	0113.00 0118.00 0119.00	Shelby	0004.00 0009.00 0011.00
	0126.00 0136.01 0136.02 0138.00		0015.00 0019.00 0021.00 0038.00
	0142.00 0143.00 0144.00 0163.00		0046.00 0058.00 0075.00 0078.21
	0190.03 0190.05		0079.00 0102.10 0103.00 0113.00
Hamilton	0020.00 0109.02		0114.00 0223.21
Knox	0008.00 0024.00 0069.00	Sullivan	0406.00
Madison	0008.00	Washington	0609.00 0610.00
Montgomery	1001.00 1004.00	Weakley	9682.02
Robertson	0804.01		

*The Great Choice Mortgage Loan Program is still available in these census tracts; however, the first-time homebuyer requirement **must** be met, or the borrower must be an eligible veteran.*

The 43 counties identified in the areas designated as areas of economic distress are not changing.

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-13

March 14, 2024

SUBJECT: Reminder of Lender Renewal Launch in Comerence

THDA has partnered with [Comerence by Optimal Blue](#) to launch our new lender application and renewal process.

Effective April 1, 2024, all lender renewals will be launched through the Comerence Platform. The renewal invite will appear on your organization's Comerence Dashboard. The renewal period for document submission will be from April 1st to April 30th.

If you are a newly approved Originating Agent after October of 2023, you will not receive a renewal invitation until April of 2025.

Discount codes for lenders meeting minimum loan origination volumes will be sent out within the next week.

Helpful Tips:

- Please create a Comerence account for the person responsible for signing in DocuSign for your organization.
- For the IT Form, it must be signed by someone in an IT leadership role.
- Please confirm your renewal point of contact with aholland@thda.org. If there have been any personnel changes, please let her know immediately. There will also be a user audit spreadsheet sent once POC has been confirmed.
- There is a \$250 renewal fee. THDA will issue a discount code for lenders meeting the minimum origination loan volumes listed in our [Originating Agent's Guide](#). These will be sent closer to the renewal date.

We will require the following documents for renewal:

- **THDA Recertification Form** (This will require DocuSign use through Comerence.)
- **IT Recertification Form** (This will require DocuSign use through Comerence.)
- **IT Security Policy and Procedures**
Note: Lender must provide current Information Security Policy. Written notice must also be provided to document any Information Security Incident or Breaches that have taken place in the past three years.
- **Most Recent Audited Financials**
- **QC Pre-Funding Policies and Procedures** (Reviewed within the last year)
- **QC Post-Closing Policies and Procedures** (Reviewed within the last year)
- **W9** (Most current IRS version of October 2018)

If you have any questions, please email aholland@thda.org or sfask@thda.org.

THDA LENDER NOTICE: #2024-14

April 10, 2024

SUBJECT: General Originating Agent Guide Updates

Great Choice Plus – No Payment

THDA has updated the guide to reflect up to \$6,000 for the deferred payment Down Payment Assistance loan option.

Principal Reduction – Page 48

THDA discourages Principal Reductions (PR). However, we understand there are times they cannot be avoided, for example when an error occurs, and it is utilized for a cure. PR is limited to 1% of the loan amount, not to exceed \$1,500. PRs are netted from the loan purchase.

If the PR is due to too much DPA funds being used, please reduce the second mortgage loan amount. Submit the following documentation in the closed loan submission package when reducing the second mortgage loan amount; updated URLA, updated transmittal (or analysis) and updated AUS findings.

New commitment for second mortgage is not required prior to closing if reducing second mortgage at closing, new commitment will be delivered once it is updated in THELMA. Enforceable Obligation Letter has been updated to reflect “Up to”, which is the maximum of the DPA approval. The revised commitment will reflect the DPA that matches the final CD.

Shipping Address Change – Page 45

THDA changed the address for the delivery of all original mortgage notes and original recorded Deeds of Trust last summer, in preparation for our Servicing Department’s move to our building. If the below address has not been updated, please update immediately to prevent delays in purchasing your loans and/or the payment of Service Release Premiums (SRP).

THDA
Attn: SFLO Closing Dept
502 Deaderick Street, 3rd Floor
Nashville, TN 37243

The physical address for VMLS is the same as the above shipping address.

Title Commitments- Page 38, 44

Title commitments must be provided to determine if applicants or spouse of applicants have any tax liens or judgements. If a person is not listed on the title commitment, they should not be listed on the Warranty Deed. Only applicants and their spouse can be listed on title.

Warranty Deed – Page 44

The Warranty Deed must convey the property to the borrower(s) and their spouse as indicated on the sales contract and Title Commitment. Borrower(s) and their spouse listed on the Warranty Deed must also be listed on the Title Commitment. A grantee on the Warranty Deed not named in the title commitment will void a THDA commitment, therefore the loan will be ineligible for purchase.

Use of MERS System

MERS is required for both the first and second mortgages. Transfers should be completed timely.

Purchase Deadlines – page 38, 67

Loans not purchased by day 100 from rate lock for existing construction and 150 for new construction are subject to cancellation or repricing.

HFA Advantage Hazard Insurance

Please refer to Freddie Mac's bulleting 2024-1 for adequacy and availability of insurance. This affects Guide Sections 4703.2 and 4703.3 of the Freddie Mac Seller/Servicer Guide for mortgages with application dates on or after June 1, 2024, but lenders are encouraged to implement immediately.

THDA LENDER NOTICE: #2024-15

April 11, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 6.875%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 6.375%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30 day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

All steps, including acknowledgment of terms must be completed at the time of rate lock. Rate lock confirmations are emailed immediately to the lender, if the confirmation is not received timely, please email SFAsk@thda.org.

For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-16

April 16, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 7.00%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 6.50%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30 day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-17

April 22, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 7.125%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 6.625%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30 day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-18

May 1, 2024

SUBJECT: Interest Rate Decrease- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will decrease to 6.875%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will decrease to 6.375%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

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Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-19

May 8, 2024

SUBJECT: Interest Rate Decrease -Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will change to 6.75%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will change to 6.25%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one-30 day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

All steps, including acknowledgment of terms must be completed at the time of rate lock. Rate lock confirmations are emailed immediately to the lender, if the confirmation is not received timely, please email SFask@thda.org . For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's Originating Agent's Guide (page 25) or <https://thda.org/homeownership-partners/lenders/training-for-lenders>.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time at <https://thda.org/homeownership-partners/lenders>.

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-20

May 16, 2024

SUBJECT: Interest Rate Decrease -Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will change to 6.625%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will change to 6.125%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one-30 day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-21

May 30, 2024

SUBJECT: Income Limit Increase; Update to Properties affected by a Disaster; Update to Conventional Condo Eligibility Guidelines

Income Limit

Effective Monday, June 3, 2024, THDA will be increasing the Income Limits in all counties in Tennessee for the following programs: Great Choice, Homeownership for Heroes, and Freddie Mac's HFA Advantage.

The new limits can be located [online](#).

Conventional Loan Condo Eligibility

THDA is adding additional clarification regarding expectations of approved Originating Agents, and requiring a new form when the subject property being financed is a Condo. The THDA Condo Project Lender Approval Form is available in the [Loan Document Section](#) of our website.

Page 62 of the [Originating Agents Guide](#)

Properties Affected by a Disaster

THDA is adding additional clarification regarding properties affected by a disaster, including documentation requirements. It remains the OA's responsibility to be aware of and act upon any mortgage loan impacted by disasters prior to the sale to THDA.

Page 48 of the [Originating Agents Guide](#)

Reconsideration of Value Guidance

Originating Agents must implement the requirements for Policies and Procedures related to Reconsideration of Value (ROV) as it relates to the appropriate Agency under "MAINTAINING ORIGINATING LENDER APPROVAL STATUS".

Page 11 of the [Originating Agents Guide](#)

Prefunding Quality Control Reviews

Effective July 1, 2024, THDA is implementing a preclosing quality control review process. When an Originating Agent's file is selected for preclosing review, the following condition will be reflected on the file "This loan has been selected for a prefunding QC review. Additional conditions may apply." The loan cannot close until the time the OA is provided with a commitment from THDA.

Page 11 of the [Originating Agents Guide](#)

Thank you for your continued support and participation in THDA mortgage loan programs.

Questions may be directed to sfask@thda.org or 615-815-2100.

THDA LENDER NOTICE: #2024-22

May 30, 2024

SUBJECT: Interest Rate Decrease- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will decrease to 6.50%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will decrease to 6.00%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-23

July 25, 2024

SUBJECT: Updates and Reminders

THDA.ORG

THDA has been experiencing technical issues with our website over the past 3 days. Everything should be running appropriately at this time. However, we did want to provide a few links in case the issue persists. We also recommend clearing your cache.

Please utilize the direct links below for the following items:

- [Homebuyer Education](#)
- [Acquisition and Income Limits](#)
- [Daily Rate Sheet](#)
- [THELMA Login](#)

FAST TRACK

As a reminder, in September 2023, THDA implemented the FAST TRACK loan flow process. This was to prioritize loans submitted with all proper documentation according to the checklist. Loans without processing conditions take priority over other loans that have been submitted.

HAZARD INSURANCE

If the insurance policy provides a separate deductible for wind and hail, the maximum deductible in THDA's guide still applies. The maximum allowable amount for the deductible is 1% of the loan amount or \$2,500, whichever amount is the highest.

POST-CLOSING TIMELINES

As a reminder, THDA has several post-closing deadlines which must be met. Closed loan packages must be received and purchased prior to the first payment due date and meet the delivery deadline described in Section 8.2 of the O. A. Guide to be eligible for SRP.

- 10 Day Deadline – For all loans, THDA must receive the closed loan package and the original notes.
- 30 Day Deadline – Evidence of all insuring/guaranty documentation must be received by THDA.
- 100 Day Deadline – If a loan has not yet been purchased by THDA, it will immediately become ineligible for purchase at 100 days after the rate has been locked.
- 120 Day Deadline – All final documentation should be provided to THDA. This includes all original first mortgage Deeds of trust. THDA recommends uploading final documents prior to shipping for review.

HOMEBUYER EDUCATION

THDA promotes sustainable homeownership for all of our borrowers, and studies have found borrowers that obtain homebuyer education/counseling are more successful with homeownership. The attached FAQ has been developed by THDA's Housing Education Resource Team to assist our lending network with questions regarding Homebuyer Education. Please ensure borrowers are signed up for these courses as early as possible in the home buying process.

Thank you for your continued support and participation in THDA mortgage loan programs.

Questions may be directed to sfask@thda.org or 615-815-2100.

THDA LENDER NOTICE: #2024-24

July 30, 2024

SUBJECT: Interest Rate Decrease- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will decrease to 6.375%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will decrease to 5.875%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-25

August 7, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 6.375%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 5.875%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

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Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-26

August 19, 2024

SUBJECT: National Association of Realtors® (NAR) Settlement

At this time, THDA will ***not*** allow any Down Payment Assistance (DPA) funds provided by THDA to be utilized towards the payment of commissions.

As a reminder, allowable fees include reasonable and customary fees and costs normally charged in the marketplace. However, section A, page 2 of the Loan Estimate/Closing Disclosure cannot exceed \$1,400 for Lender Administrative-type charges, i.e. underwriting, processing, application, administrative, etc. The \$75 tax service fee is excluded from the \$1,400. Maximum origination fee can be 1% of the loan amount. The origination fee is not included in the above mentioned \$1,400 allowable fees. If a rate lock extension has been requested, 25 bps of the loan amount can be charged to the borrower.

For additional information regarding the NAR Settlement, please visit the National Association of Realtors® website: <https://www.nar.realtor/the-facts/nar-settlement-faqs>

Access THDA's rates any time at <https://thda.org/homeownership-partners/lenders>.

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-27

August 22, 2024

SUBJECT: Additional Information NAR Settlement

As announced in [Lender Notice #2024-26](#), at this time, THDA will **not** allow any Down Payment Assistance (DPA) funds provided by THDA to be utilized towards the payment of commissions.

As a reminder, a fully executed, unexpired purchase agreement which includes all addendums should be provided to THDA with the Underwriting Package. THDA does want to monitor the effects of the NAR Settlement for THDA borrowers, therefore the following documents should also be included in the THDA loan submission moving forward:

- Exclusive Buyer Representation Agreement (RF142)
**Amendment to Buyer Representation Agreement (RF 641) **Acceptable for Contracts Dated Prior to August 17, 2024
- Confirmation of Agency Status (RF302)
- Compensation Agreement Between Listing and Selling Broker (Only Needed if Information is Not Provided in the Purchase Agreement)

For additional information regarding the NAR Settlement, please visit the [National Association of Realtors®](#) website.

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-28

August 26, 2024

SUBJECT: Interest Rate Decrease- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will decrease to 6.25%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will decrease to 5.75%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

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Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-29

September 11, 2024

SUBJECT: HFA ULDD Information

As per standard Freddie Mac guidelines, the Uniform Loan Delivery Dataset (ULDD) is required for all loan deliveries. Following these guidelines, THDA requires the submission of the ULDD XML file on all HFA Advantage mortgage loans.

In an effort to provide critical feedback to Originating Agents, an assessment of all HFA Advantage loans for the past quarter was completed and THDA has identified the following common errors from ULDD submissions.

Common errors include:

- Combined LTV Ratio Percent Must Match the Freddie Mac Calculated Combined LTV Ratio Percent as Indicated on the LPA Feedback Results.
- Party Role Type Must be Housing Finance Agency for HFA Advantage Loan Program Identifier.
- Party Role Type Must be Warehouse Lender When Warehouse Lender Indicator is True, Otherwise it Should Reflect "False".
- Loan Prospector Automated Underwriting Recommendation Description Must be Accept
- Counseling Confirmation Type is Required.
- Counseling Format Type is Required. (Online or Classroom)
- Borrower Must Participate in an Acceptable Homeownership Education Program.

Please note that these errors will appear on the LQA report for each loan. Lenders are encouraged to review their ULDD for these errors prior to submitting the XML file to THDA to prevent a delay in purchasing the loan.

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-30

October 3, 2024

SUBJECT: Reminder Guidance for THDA Originating Agents Regarding Presidentially Declared Major Disaster Areas

In the aftermath of the devastation caused by Hurricane Helene, THDA reminds Originating Agents (OA) about its guidance for THDA mortgage loans in the following Tennessee counties where the President has declared a Major Disaster:

- Carter
- Cocke
- Greene
- Hamblen
- Hawkins
- Johnson
- Unicoi
- Washington

This declaration is made when natural disasters or other events are of such severity that it is beyond the combined capabilities of state and local governments to respond.

The following guidance serves as a reminder that applies to all Presidentialy Declared Major Disaster Areas (PDMDA) which can be found in the [THDA Originating Agents Guide](#).

Properties Affected by a Disaster

It is the OA's responsibility to be aware of and act upon any mortgage loan impacted by disasters prior to the sale to THDA. The OA must have a policy in place to identify properties with pending mortgages (or endorsements if applicable). OA should contact the appropriate source e.g. Tennessee Emergency Management Agency (TEMA), Federal Emergency Management Agency (FEMA) to determine whether properties located in its origination footprint are included in the disaster areas. OA must ensure appropriate Agency guidelines are followed that identifies and quantifies any dwelling damage. This information and documentation must be available to THDA upon request. Any damages to properties must be reported to THDA immediately.

THDA's Disaster Policy applies to any of the following:

- FEMA declared disaster areas eligible for Individual Assistance.
- Areas Identified by TEMA or THDA.
- Properties that the Lender has reason to believe sustained damage in a disaster.

By the sale of the loan to THDA, the OA warrants that the subject property is in marketable condition and that there are no repairs or other detrimental conditions to the subject property at the time of sale. THDA is not responsible to provide notification to the OA of disaster areas. If at any time after loan purchase, THDA or a subsequent investor, determines that the subject property was damaged and not in fully marketable condition at time of sale, the loan is subject to repurchase.

Documentation Requirements for Properties Affected by a Disaster

Appraisals completed on or before the incident period end date.

Prior to loan purchase, THDA will require a post disaster inspection confirming the property has not been adversely affected by the disaster. The inspection may be provided in various formats as long as the appropriate Agency's requirements are met.

- Property Appropriate Inspection Report
- Appraisal Update and/or Completion Report (Form 1004D)
- Certification from a Licensed Property Inspector
- Post-disaster inspection from an established and reputable service provider, with post-disaster photos that clearly demonstrate the property has not been adversely affected by the disaster.
- Lender Certification with post-disaster photos that clearly demonstrate the property has not been adversely affected by the disaster. The Certification must not be executed by an employee that receives direct compensation from the subject transaction.

Appraisals completed after the incident period end date.

For a period of 90 days from the incident period end date, full appraisals are required on impacted properties. In the report, the appraiser must confirm the property has not been adversely affected by the disaster.

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-31

October 10, 2024

SUBJECT: Reminders 4506-C, Fastrack, Loan Purchases/Servicing Transfers

4506-C

For HFA Advantage Loans, THDA is continuing to see the 4506-C missing information. Originating Agents must utilize the [4506-C](#) which contains THDA's vendor information and ensure the following:

- Box 6 should only have 1 box checked, THDA prefers for it to be 6a.
- Box 7 should be checked (do not complete 7a or 7b)
- Box 8 should be completed with the most recent two years

FASTRACK

As a reminder, perfectly submitted underwriting files do receive a priority for review. Please review the [Underwriting Checklist Reference Guide](#) for successful submissions. Files with excessive processing conditions (6 or more) or missing approval documents will be suspended, which will delay the file review process.

LOAN PURCHASES/SERVICING TRANSFERS

THDA makes strides to purchase all loans prior to the first payment due date. Loans purchased after the first payment due date will not receive a Service Release Premium (SRP). In the event the first payment becomes due prior to THDA purchasing the loan, the OA is responsible for all servicing activities up to the transfer effective date. This includes:

1. Collect timely payment from the borrower(s); proof of current due date will be required prior to THDA Purchase
2. Disburse timely PMI/MIP payments to Agency's guidelines.
3. Disburse additional Hazard Insurance, Flood Insurance, or Tax payments that come due prior to the THDA Purchase date
4. Complete required Agency monthly reporting, if applicable
5. Send a new Goodbye Letter meeting all RESPA requirements and coordinate the Service Transfer effective date with VMLS

Immediately following the effective Service Transfer date, Originating Agent is to send the following to VMLS:

1. Loan History indicating due date, payments received, principal curtailments, suspense balance, escrow disbursements, and escrow balance at transfer
2. All payments collected; disbursed escrow may be netted from funds transferred to VMLS
3. Copy of notices sent to borrower(s) including Goodbye Letter

MERS

When THDA has purchased a loan, a transfer via TOS/TOB (both Servicing & Investor Rights) MUST be initiated/transferred within five calendar days.

Thank you for your continued support and participation in THDA mortgage loan programs.

Questions may be directed to sfask@thda.org or 615-815-2100.

THDA LENDER NOTICE: #2024-32

October 24, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 6.375%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 5.875%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-33

October 25, 2024

SUBJECT: Selling Agent Commission Update

THDA is rescinding [Lender Notice #2024-26](#).

THDA's Down Payment Assistance (DPA) is to be used for the borrower's downpayment and closing costs. If there are any excess funds after downpayment and closing costs are paid the remainder may be applied towards the negotiated Selling Agent/Broker's real estate commissions.

As a reminder, a fully executed, unexpired purchase agreement which includes all addendums must be provided to THDA with the Underwriting Package. The following documents must also be included:

- Exclusive Buyer Representation Agreement (RF142)
- Confirmation of Agency Status (RF302)
- Compensation Agreement Between Listing and Selling Broker (RF702) (only needed if information is not provided within the sales contract)

Compensation for both the Selling Agent/Broker and the Listing Agent/Broke should be clearly identified in the documentation provided to THDA.

For additional information regarding the NAR Settlement, please visit the National Association of Realtors® website: <https://www.nar.realtor/the-facts/nar-settlement-faqs>

Access THDA's rates any time at <https://thda.org/homeownership-partners/lenders>.

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-34

October 30, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 6.50%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 6.00%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

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Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-35

November 8, 2024

SUBJECT: Mortgage Revenue Bond Income Determination Exception

On October 22, 2024, the Internal Revenue Service released [Rev. Proc. 2024-38](#). Section 143(f)(2) of the Code provides an exclusion from income of VA service-connected disability benefits in the determination of income for Mortgage Revenue Bond programs. This exclusion applies to all Great Choice and Homeownership for Heroes borrowers.

THDA is amending the “**MRB Income Exclusions**” section to include VA service-connected disability benefits.

Thank you for your continued support and participation in THDA mortgage loan programs.

Access THDA’s rates any time at <https://thda.org/homeownership-partners/lenders>.

THDA LENDER NOTICE: #2024-36

November 15, 2024

SUBJECT: HOLIDAY SCHEDULE AND GENERAL REMINDERS

As we approach the holiday season, THDA would like to remind our lending partners of our holiday schedule for the appropriate expectations to be set for borrowers and realtor partners. THDA will be closed November 28th and 29th, December 24th, 25th, 31st, and January 1st. THDA's official hours are 8:00AM- 4:30PM Central Time.

TURNAROUND TIME

THDA sets an expectation of a turnaround time of two business days. Please keep this in mind during the holiday season and that the turnaround time could be extended. Please review the login page to our Electronic Loan Management Application (THELMA) to review current turnaround times.

FAST TRACK

THDA continues to promote Fast Track Underwriting for complete packages. A complete package is submitted in accordance with the requirements on the [Underwriting Submission Checklist](#). These files receive priority review. When a file is suspended prior to Underwriting or when an underwriter issues conditions on a file, please allow one business day for conditions to be reviewed. All conditions should be submitted at the same time to reduce the number of times files are reviewed.

EXCESSIVE PAGES UPLOADED

For both underwriting and post-closing submissions, please review the checklists to prevent excessive documents from being submitted. Underwriting documents do not need to be resubmitted with the closing package, unless a second mortgage DPA is being reduced.

ORIGINAL 2ND MORTGAGE DOT

THDA only requires the original recorded DOT to be provided. If an original second mortgage DOT is received, it will either be shredded or returned to the lender at the lender's expense.

1ST MORTGAGE SECURITY INSTRUMENT - RIDER

Please ensure the appropriate box is checked in section F of the Deed of Trust and states THDA Rider. All THDA bond loans are required to have a THDA Rider recorded with the DOT. If any additional rider is needed, condo, PUD, etc., please ensure the appropriate box is also checked.

Access THDA's rates any time on the [Lender Page](#) of our website.

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-37

December 3, 2024

SUBJECT: Interest Rate Decrease- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will decrease to 6.375%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will decrease to 5.875%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

All steps, including acknowledgment of terms must be completed at the time of rate lock. Rate lock confirmations are emailed immediately to the lender, if the confirmation is not received timely, please email SFAsk@thda.org.

For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-38

December 4, 2024

SUBJECT: THDA Rider and Online Homebuyer Education

THDA Rider

Effective immediately, THDA has updated the THDA Rider to include the following language:

Department of Veterans Affairs (VA) Borrowers Restrictions. Loan funds were provided by a State housing program, therefore, the basic rights as outlined in VA form 26-8978 Assumable Loan do not apply.

As a reminder, THDA Great Choice loans require the THDA Rider. The Rider is generated at the time the loan commitment is issued on a file.

Online Homebuyer Education

THDA is updating the [Originating Agents Guide](#) to include online customer timelines and guidelines/processes for online customer transfers if it becomes necessary.

Update to Online Homebuyer Education Certificates

Effective January 1, 2025, THDA's Homebuyer Education Providers will be issuing the certificate of completion through the eHome America system for all online customers. All certificates issued prior to January 1, 2025, are acceptable on the old form. The process will remain the same:

- Borrower registers and completes the course early in the homebuying process.
- HBE Provider receives email from eHome America to contact the borrower for the follow up session. Contact is made for scheduling within 2 days
- One-hour follow up session completed within 7 days of the course completion
- Certificate issued to the borrower through the eHome America system.

Below is an example of the new certificate:



Facilitator-led education classes are still available and do not require a counseling session. The [upcoming class schedule](#) can be found on our website. The THDA approved certificates will be issued following the completion of the 6+ hour course and are good for 12 months.

For more information about the Homebuyer Education Process, please refer to the [FAQ](#) or contact the [Housing Education & Resource Team](#).

Questions may be directed to sfask@thda.org or 615-815-2100.

THDA LENDER NOTICE: #2024-39

December 19, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 6.50%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 6.00%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

All steps, including acknowledgment of terms must be completed at the time of rate lock. Rate lock confirmations are emailed immediately to the lender, if the confirmation is not received timely, please email SFAsk@thda.org.

For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.

THDA LENDER NOTICE: #2024-40

December 20, 2024

SUBJECT: Interest Rate Increase- Mortgage Revenue Bond (MRB) Programs

Effective immediately, the interest rate on the Great Choice Mortgage Loan Program will increase to 6.625%. Based on this rate, the Homeownership for Heroes Mortgage Loan Program will increase to 6.125%.

Rate locks for existing properties are for 60 days, new construction are 120 days. Closed Loans must be delivered to THDA in purchasable condition by rate lock expiration date. THDA only allows one 30-day extension, extensions can be completed in THDA's Electronic Loan Management Application (THELMA). Rates locked prior to this notice must close at the rate identified in the rate lock confirmation.

All steps, including acknowledgment of terms must be completed at the time of rate lock. Rate lock confirmations are emailed immediately to the lender, if the confirmation is not received timely, please email SFAsk@thda.org.

For more information on THDA's rate lock, please refer to the Rates and Rate Lock section in THDA's [Originating Agent's Guide](#) (page 29) or visit the [Lender Training](#) page on our website.

To alleviate any delays with the review of the loan application submission, as well as the receipt of timely commitments from THDA, please verify all submission documentation reflects the correct interest rate as indicated on the lock confirmation. Incorrect interest rates on documentation will delay the review of the mortgage loan file.

Access THDA's rates any time [here](#).

Thank you for your continued support and participation in THDA mortgage loan programs.