



Advantages of THDA's Great Choice Mortgage Loan Programs



Toumie Parrot

Customer Account Manager - Middle TN

tparrot@thda.org
(615) 708-5940

Notes

- ✓ Please keep audio on mute
- ✓ Questions? Use chat function and proctor will bring to my attention
- ✓ Q & A's: during and at end of class

TREC Rules

- ✓ Be visible on camera at all times
- ✓ No phone calls allowed during class
- ✓ No computer-based work allowed during class
- ✓ No stepping away (If you have an emergency, let proctor know through chat)

IMPORTANT

In order to receive CE credit, at the end of class, email tparrot@thda.org:

1. Subject Line: (code word announced at the end of class)
2. Name (as it appears on your license)
3. License Number

Agenda

- What is THDA?
- Who can THDA help?
- How does THDA work?

Great Choice

PLUS  LOAN

\$7,500 DPA

Sales Price \$150,000 or higher

\$6,000 DPA

Sale Price less than \$150,000

**2nd Mortgage: 15-
Year Term amortizing**

**Interest rate same
as first mortgage**



Tennessee Housing Development Agency



**AFFORDABLE
MORTGAGE
FINANCING**

**AVAILABLE
THROUGH
APPROVED
LENDERS**

**MORTGAGE
REVENUE
BOND
PROGRAM**

**NO TAX
DOLLARS
USED**

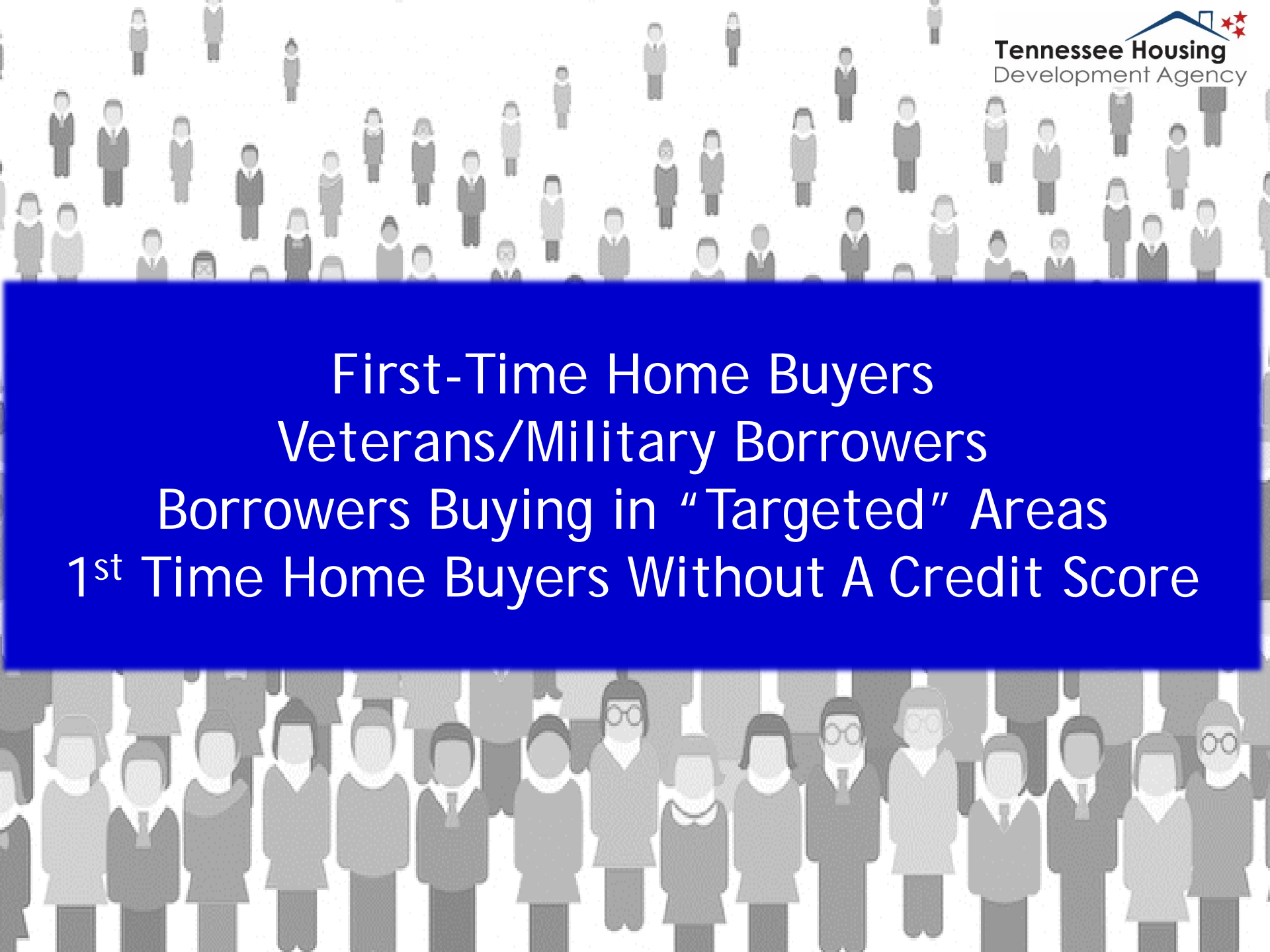


**Just missing the
down payment?**



Or missing the
closing costs?

Who
can
THDA
help?



First-Time Home Buyers
Veterans/Military Borrowers
Borrowers Buying in “Targeted” Areas
1st Time Home Buyers Without A Credit Score

Great Choice

PLUS  LOAN

**2nd Mortgage:
15-Year Term**

**Interest rate equal
to first mortgage**

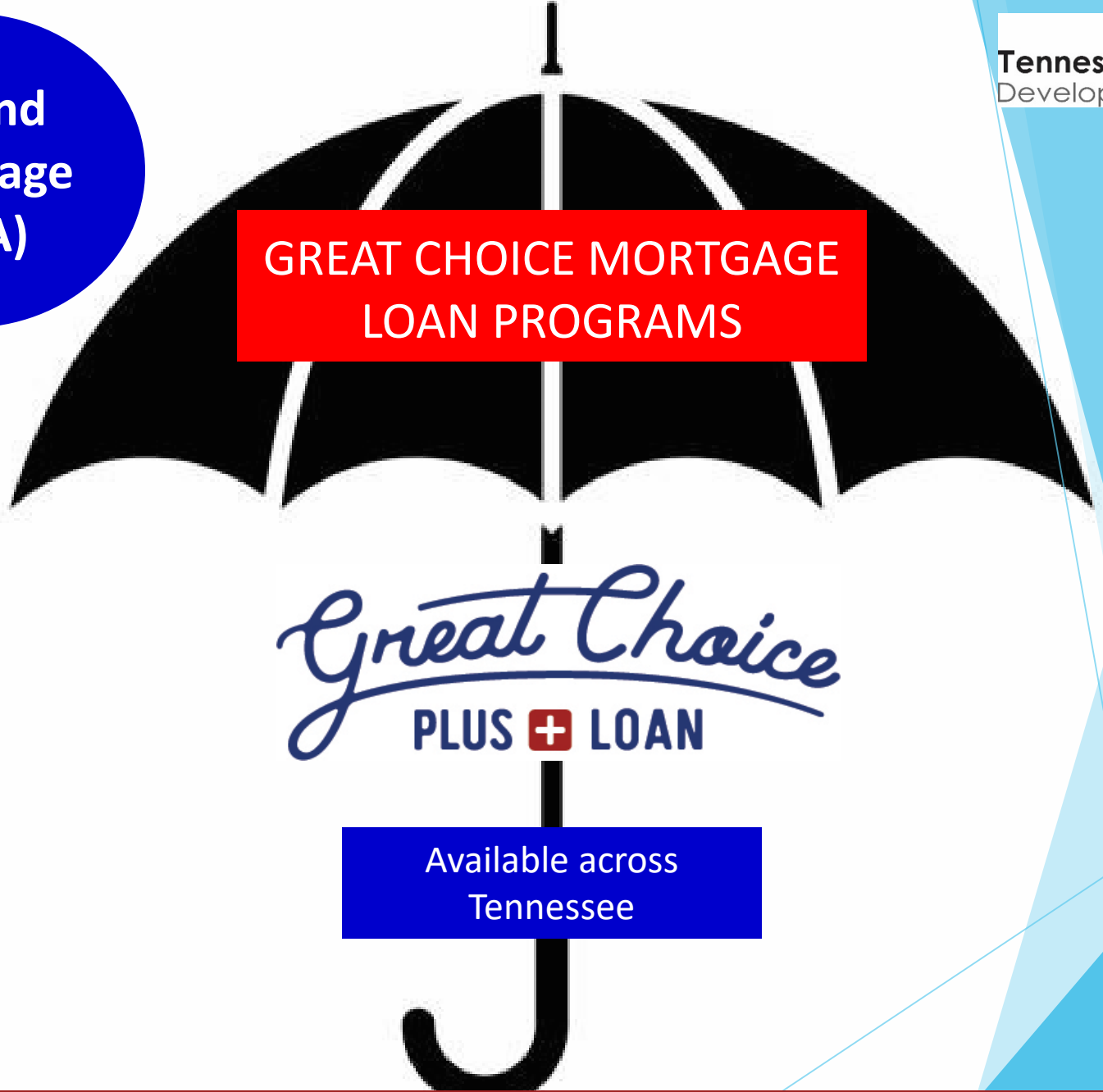
\$6,000 DPA

Sale Price less than \$150k

\$7,500 DPA

Sales Price \$150k and higher

Second
Mortgage
(DPA)



GREAT CHOICE MORTGAGE
LOAN PROGRAMS

Great Choice
PLUS  LOAN

Available across
Tennessee

First
Mortgage

GREAT CHOICE MORTGAGE
LOAN PROGRAMS

Great Choice
HOME LOANS

Available for all
eligible applicants

Homeownership for the Brave

Available for eligible
veterans/military

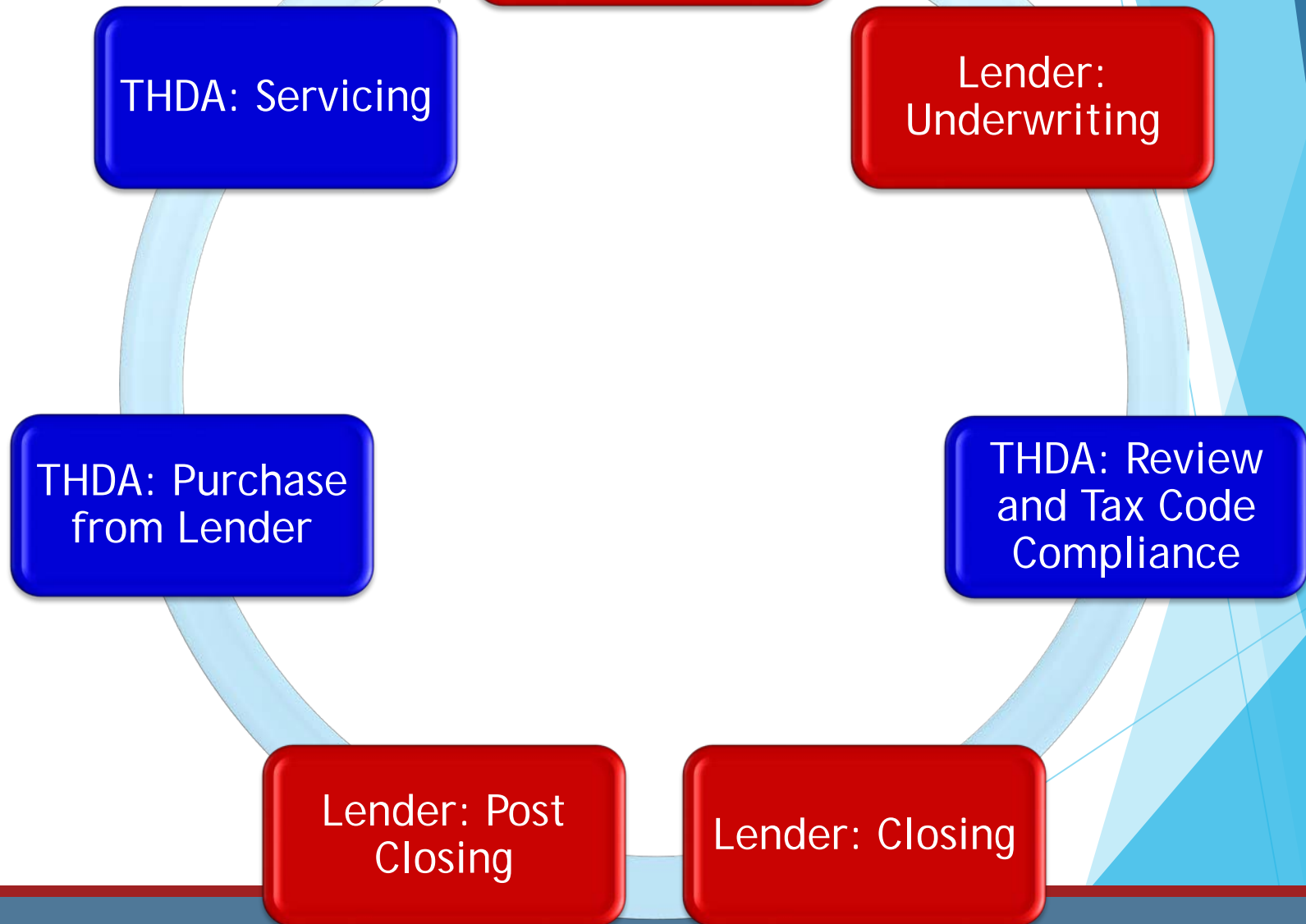
Rate reduction: .50%

Great Choice

PLUS  LOAN

THDA
is subject to repayment in
its entirety if the home is
sold, refinanced or
borrower moves out.

The Life of a THDA Loan



LOAN TYPES AND DOWN PAYMENT REQUIREMENT

- VA: 0%
- USDA: 0%
- FHA Loans: 3.5%
- Conventional Loans: 3% - 20%



FHA loans
require
3.5%



THDA
provides
up to
\$7,500



**VA & USDA
= \$0 down
payment**

**Use THDA
for closing
costs**

Eligibility Criteria

- F**irst-time Homebuyer*
- H**ousehold Income
- A**cquisition Cost Limits
- S**ingle Family
- O**wner-Occupied
- S**core: 640 Min./45% Max DTI*

+ have not
owned

+ and
occupied

+ as a
primary
residence

+ in prior 3
years

First-time Homebuyers

I have not owned my home
in the past 3 years.

**Non
Borrowing
Spouse**

First-time
homebuyer?

Marital
interest in
prior 3 years?

Benefited
from marital
property
even if not
on mortgage
in prior 3
years?

**Both
spouses
must be
first-time
homebuyers**

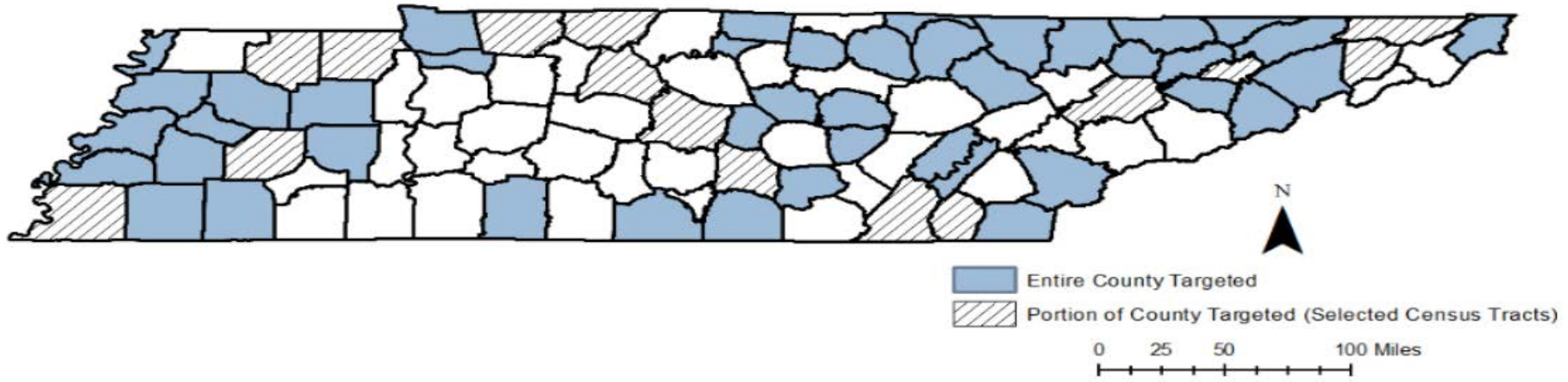
Repeat
buyers
allowed!

Targeted Areas

IRS determined
chronic economic
distressed areas

Entire counties
or
Census tract(s)
within counties

95 TN counties
43 counties
targeted
15 partially
targeted



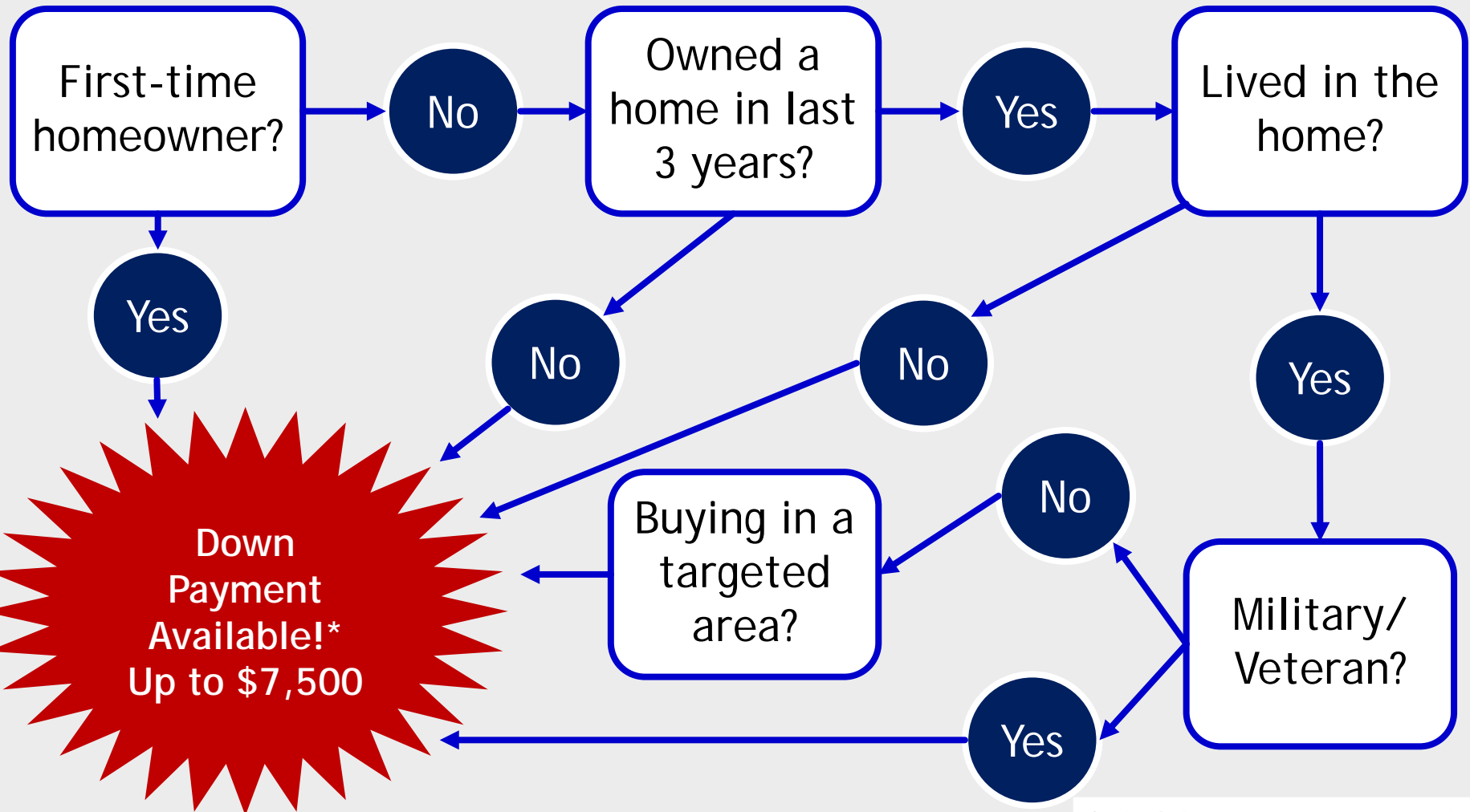
Repeat buyers allowed!



Military & Veterans

I am in the U.S. military or a veteran (or spouse)

Are you a first-time homeowner?



* Eligibility Requirements Apply

Household Income Limits

All 18+ Occupants

Non-Qualifying Spouse

Separated or Absent Spouse

Child Support if Court Ordered



GREAT CHOICE MORTGAGE LOAN PROGRAM

Current Acquisition Cost & Income Limits by County

Counties		Acquisition Cost Limits	Household Income Limits		Counties		Acquisition Cost Limits	Household Income Limits	
			1-2 Persons	3+ Persons				1-2 Persons	3+ Persons
Anderson		\$250,000	\$73,900	\$84,985	Lewis		\$250,000	\$66,800	\$76,820
Bedford		\$250,000	\$66,800	\$77,280	Lincoln	T	\$300,000	\$80,160	\$93,520
Benton		\$250,000	\$66,800	\$76,820	Loudon		\$300,000	\$73,900	\$84,985
Bledsoe		\$300,000	\$66,800	\$76,820	Macon	T	\$375,000	\$80,160	\$93,520
Blount		\$250,000	\$73,900	\$84,985	Madison	*	\$300,000	\$71,399	\$82,109
Bradley	*	\$250,000	\$71,039	\$81,695	Marion		\$300,000	\$72,600	\$83,490
Campbell	T	\$300,000	\$80,160	\$93,520	Marshall		\$250,000	\$70,320	\$82,040
Cannon	T	\$375,000	\$98,760	\$115,220	Maury		\$375,000	\$83,760	\$97,720
Carroll	T	\$300,000	\$80,160	\$93,520	McMinn		\$250,000	\$66,800	\$76,820
Carter		\$250,000	\$69,000	\$80,500	McNairy		\$300,000	\$66,800	\$76,820
Cheatham		\$375,000	\$98,760	\$115,220	Meigs	T	\$300,000	\$80,160	\$93,520
Chester		\$300,000	\$71,399	\$82,109	Monroe	T	\$300,000	\$80,160	\$93,520
Claiborne	T	\$300,000	\$80,160	\$93,520	Montgomery	*	\$250,000	\$70,179	\$80,706
Clay		\$300,000	\$66,800	\$76,820	Moore		\$250,000	\$70,179	\$80,706
Cocke	T	\$300,000	\$80,160	\$93,520	Morgan	T	\$300,000	\$80,160	\$93,520
Coffee	*	\$250,000	\$71,159	\$81,833	Obion		\$300,000	\$66,800	\$76,820
Crockett	T	\$300,000	\$80,160	\$93,520	Overton	T	\$300,000	\$80,160	\$93,520
Cumberland		\$250,000	\$66,800	\$76,820	Perry		\$250,000	\$66,800	\$76,820
Davidson	*	\$375,000	\$98,760	\$115,220	Pickett	T	\$300,000	\$80,160	\$93,520



Acquisition Cost Limits

- Existing Construction - Free 90-day rate lock
- New Construction - Free 180-day rate lock

HUD

**Definition:
Up to 4 units
with 1 being
owner
occupied**

Building Types Allowed:

- Detached
- Semi-Detached
- Condos
- Townhomes
- Row-Houses
- Manufactured Homes
- HUD Owned

Single Family Residence

Restrictions	Maximum
Land	5 acres
Appraised Value over Acquisition Cost	20%
Land Value of Appraised Value	40%

**OWNER-
OCCUPIED
RESIDENCE**

**Primary
residence**

**Applicant(s)
occupied**

**Occupied
within 60 days**

**BUSINESS USE
PROHIBITED**

640
Minimum
Score

45%
Maximum DTI

"No Score" Borrowers

- 36% max. DTI
- 2 Months PITI Reserves (may not be gift)
- 3 non-traditional trade lines



Homebuyers

THDA created Great Choice Home Loans to make homeownership possible for more Tennesseans of middle/moderate income.

GreatChoiceTN.com



Down Payment Assistance

If you qualify for a Great Choice Home Loan, you



Great Choice Home Loans

A 30-year, fixed interest rate home loan created



Homebuyer Education

THDA encourages all homebuyers to complete

Homebuyer Education



In-Person Course:
Up to \$99 per Household



On-Line Course:
\$99 per Household



Certificate good for 12 months
All borrowers/co-borrowers must take course

Buyer Education

42% Less
Odds of
Foreclosure

55% Less
Odds of First
Default
Leading to
Foreclosure

Better than
"skin in the
game"!



Recapture Tax

- Part of federal tax code
 - Collected by IRS

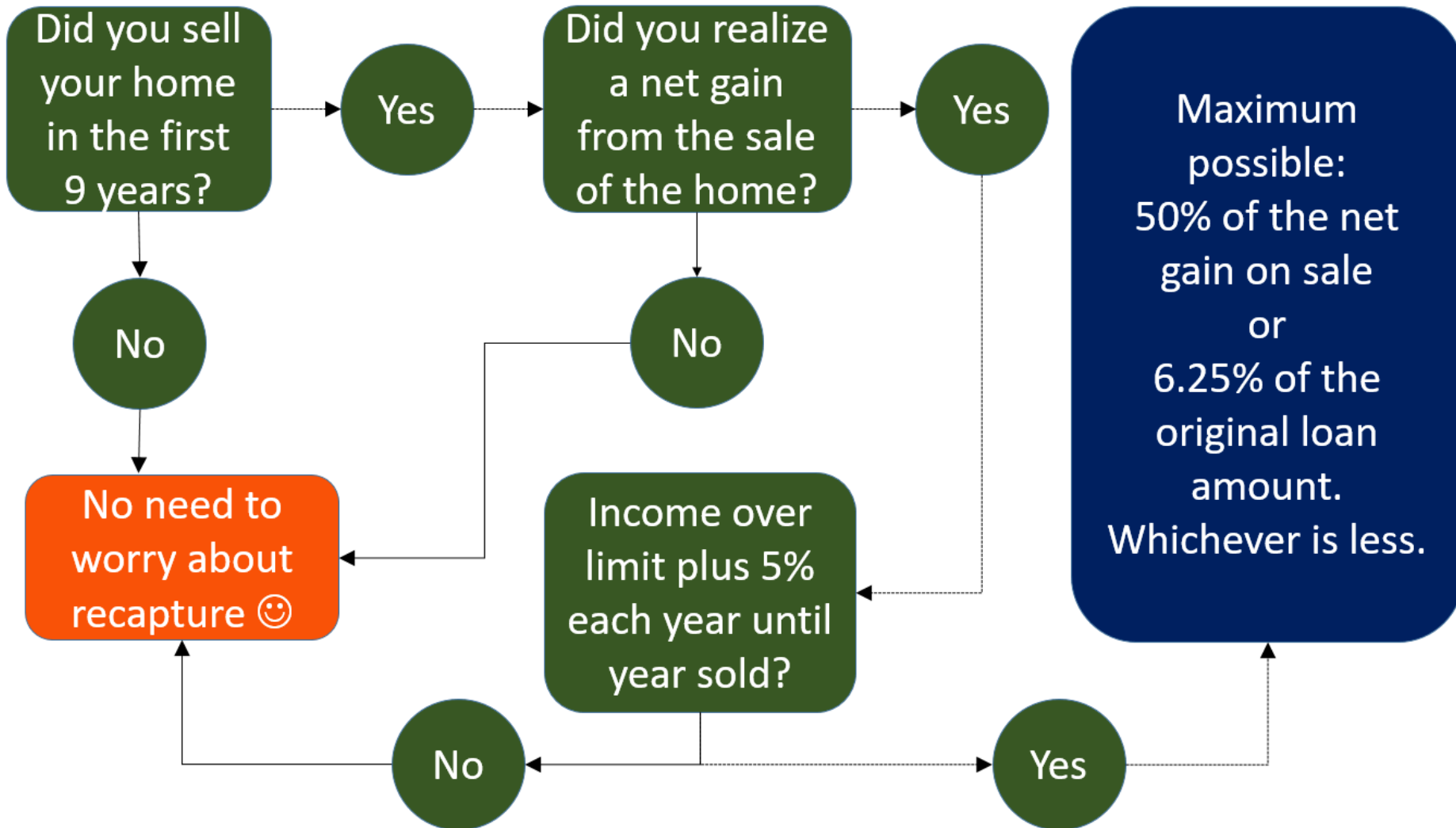
Does not apply IF:

Home sold after 9 years
or

No Net Gain from Sale of Home
or

Household Income Does Not Exceed Limit

Recapture Tax



What's the difference?



Recapture
Tax Period



DPA Payback
Period

What's the difference?

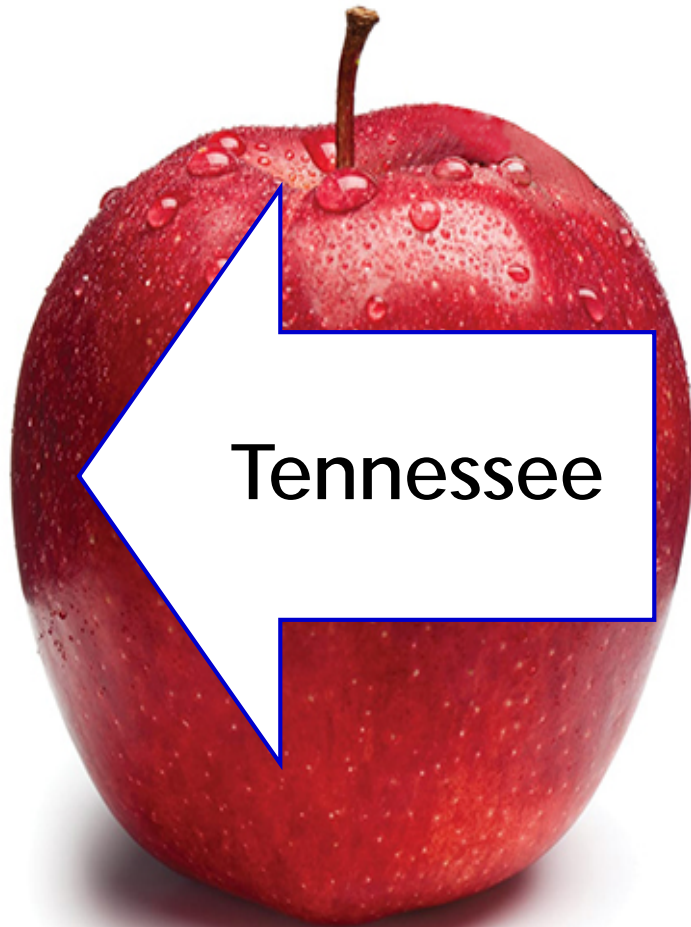


Qualifying
Income



Household
Income

What's the difference?



What's the difference?



Great
Choice



Great
Choice Plus

IMPORTANT

In order to receive CE credit:

- 1) You followed TREC guidelines (per slide 3)
- 2) Email tparrot@thda.org the following:
 1. Subject Line: **THDA=DPA**
 2. Name: **(your name as it appears on license)**
 3. License Number

MORTGAGE PROGRAM COMPARISON

PROGRAM	GC97/97PLUS* HFA ADVANTAGE	GREAT CHOICE/ GREAT CHOICE PLUS*
PRODUCT EXECUTION	Mortgage Backed Security	Mortgage Revenue Bond
LOAN TYPE	Conventional Insured >78%	Government Loans & Uninsured Conventional
CREDIT SCORE	660 Minimum	640 Minimum
LTV	97%	Dependent on guarantor/insurer program
CLTV	Max 105%	Dependent on Loan Type
UNDERWRITING TYPE	LPA Accept-HFA Advantage Only	AUS approved, no score or refer/eligible**
PROPERTY TYPES ALLOWED	SFR, Condo, PUD, Townhome	SFR, Condo, PUD, Townhome, or MFG Home
UNITS	One Unit Primary Residence	Up to 4 units***
INCOME LIMITS	80% of AMI See Home Possible Limits	County Limits See THDA website
INCOME ELIGIBILITY	Qualifying Income	Qualifying & Household Income
OWNERSHIP OF OTHER PROPERTY	Allowed one additional property not THDA	Allowed-Calculated at 75% gross rent
NON-OCCUPANT CO-BORROWER	Not Allowed	Not Allowed
MORTGAGE INSURANCE	Per Freddie Mac HFA Advantage guidelines	Per Guarantor/Insurer program
FIRST-TIME HOMEBUYER REQUIREMENT	No	Yes --or Targeted Area or Eligible Veteran
THDA UNDERWRITING DOCS	None, only GC97 UW/Submission	Seller & Borrower affidavit, recapture disclosure, program disclosure
LENDER COMPENSATION	1.75% paid at time of purchase, 1% SRP no org/disc. points	1.75% paid at time of purchase, 1% SRP no org/disc. points

MI Cancellation

Qualifying vs. Household Income

3% vs. 3.5%
Down Payment

Student Loan Underwriting

Seller Contribution
3% vs. 6%

Required Docs

FTHB Requirement



Thank you!

