

Ralph M. Perrey, Executive Director



**MEMORANDUM:**

TO: All Originating Agents

FROM: Rhonda Ronnow, Director of Loan Operations

DATE: October 16, 2017

SUBJECT: HHF-DPA Expansion of Eligible ZIP Codes

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THDA would like to announce an expansion to the Hardest Hit Fund Down Payment Assistance (HHF-DPA) second mortgage loan program. **Effective November 1, 2017**, seven additional ZIP Codes across the state will be added. These include 37877, 37890, 37920, 37354, 37874, 38118, and 37650.

Earlier this year, THDA received approval from the U.S. Department of Treasury to commit \$60 million in federal funding for the purchase of existing homes in designated ZIP Codes across the state. THDA has committed 1/3 of these funds, approximately \$20 million. The source of this funding is U.S. Treasury's Hardest Hit Fund (HHF), which was established in the aftermath of the mortgage market crisis. Applicants who apply for the HHF-DPA second mortgage loan must qualify and obtain THDA's Great Choice first mortgage loan.

The HHF-DPA second mortgage loan is a \$15,000, 10-year term, 0% interest, deferred second mortgage lien; and must close simultaneously with THDA's Great Choice first mortgage loan. Repayment is required if the borrower sells or refinances the home before year 10 of the loan. The second mortgage lien is forgiven at 20% per year starting at year six, and fully forgiven at the end of year 10. The loan is for existing homes only; new construction is excluded.

If you would like THDA to provide additional training for your company or joint training with your real estate partners on the HHF-DPA mortgage loan program or our Great Choice Plus mortgage loan, please let us know. Please note that marketing and training materials must be approved by THDA.

Please feel free to contact THDA directly at 615-815-2100 or by email to [SFask@thda.org](mailto:SFask@thda.org) with any questions. Thank you for your continued participation in THDA's mortgage programs.



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