

Ralph M. Perrey, Executive Director



MEMORANDUM

DATE: November 15, 2018

TO: All Originating Agents

FROM: Lindsay Hall, Chief Operating Officer of Single Family Programs

SUBJECT: **Hardest Hit Fund Down Payment Assistance Program Changes**

US Treasury requires all states that participated in the Hardest Hit Funds (HHF) to measure the impact to the communities utilizing the funding. In the Hardest Hit Funds Down Payment Assistance (HHF-DPA), \$15,000 in down payment assistance was offered in 62 ZIP Codes that were identified based on continued stress after the mortgage recovery had begun. All HHF states are required to measure the same indicators going forward every six months in order to continue the funding where it is most needed and remove ZIP Codes that have seen a marked improvement.

In the last analysis of the HHF-DPA distress indicators, THDA found that there are 10 ZIP Codes that have seen positive results based on the current data. Therefore these 10 ZIP Codes will be removed from the HHF-DPA Program **effective January 1, 2019**.

<u>ZIP Code</u>	<u>Locality</u>	<u>County</u>
37172	Springfield	Robertson
37037	Christiana	Rutherford
37218	Nashville	Davidson
37208	Nashville	Davidson
37207	Nashville	Davidson
37877	Talbott	Jefferson
37073	Greenbrier	Robertson
37086	La Vergne	Rutherford/Davidson
38018	Cordova	Shelby
38133	Memphis	Shelby

Loan applications and purchase agreements dated prior to December 31, 2018 in the aforementioned ZIP Codes will remain eligible for HHF-DPA so long as the **loan closing occurs on or before February 28, 2019**.

In addition, THDA has not and will not receive new funds for the HHF-DPA program; instead as HHF funds are recovered THDA can request that these recovered funds be moved into the HHF-DPA Program. Most recently **recovered funds have been reallocated to the HHF-DPA program changing funds available to approximately \$13 million.** This reallocation of funds will allow THDA to continue the HHF-DPA program in 2019 until all funds are used.

The measurements indicate that the program has accomplished its goal to stabilize neighborhoods, decrease foreclosures and increase homeownership in these areas. HHF-DPA has spurred THDA loan production, but has also assisted in stimulating the housing market, as evidenced by these 10 ZIP Codes no longer meeting US Treasury requirements.