

Ralph M. Perrey, Executive Director



**ORIGINATING AGENTS  
GUIDE REVISION 120**

March 3, 2017

**Remove and discard:**

|                                 |                            |
|---------------------------------|----------------------------|
| Page 2 (Revised 01/18/17).....  | Page 2 (Revised 03/03/17)  |
| Page 3 (Revised 01/18/17).....  | Page 3 (Revised 03/03/17)  |
| Page 41 (January 2014).....     | Page 41 (Revised 03/03/17) |
| Page 49 (Revised 10/03/16)..... | Page 49 (Revised 03/03/17) |
| Page 50 (Revised 10/31/16)..... | Page 50 (Revised 03/03/17) |
| Page 51 (Revised 10/05/15)..... | Page 51 (Revised 03/03/17) |
| Page 52 (Revised 10/03/16)..... | Page 52 (Revised 03/03/17) |

**Replace with enclosed:**

**Forms**

HHF-DPA Settlement Statement

*New..... HO-0576-HHF (03.17)*

**EFFECT OF CHANGE**

Borrowers receiving down payment assistance from THDA cannot receive any funds at closing from this assistance that exceed the amounts that they paid in advance. To prevent any delays at the closing table that arise from excessive cash back to the borrower, THDA will allow a Principal Reduction to be listed on the Closing Disclosure.

Included with this revision is the addition of the HHF-DPA Settlement Statement HO-0576-HHF.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243  
[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.





# **Originating Agents Guide**

**JANUARY 2014**

Latest Revision: 03/03/17

Single Family General Information..... 615-815-2100  
Toll-Free Voice Mail..... 1-800-228-8432  
Fax (24 hours a day, 7 days a week) ..... 615-564-2881

| <u>Staff</u>   | <u>Telephone</u> | <u>Email Address</u> |
|--|------------------|----------------------|
| Lindsay Hall, Chief Administrative Officer of Single Family Programs | 615-815-2080     | lhall@thda.org       |
| Rhonda Ronnow, Director of Loan Operations                           | 615-815-2111     | rronnow@thda.org     |
| Nancy Herndon, Assistant to Director of Loan Operations              | 615-815-2101     | nherndon@thda.org    |
| Rhonda Ellis, Mortgage Loan Specialist, Processing                   | 615-815-2103     | rellis@thda.org      |
| Terry Benier, Mortgage Loan Specialist, MCC Program                  | 615-815-2048     | tbenier@thda.org     |
| Pam Norris, Underwriter  | 615-815-2087     | pnorris@thda.org     |
| Tammy Walker, Underwriter  | 615-815-2091     | twalker@thda.org     |
| Lynne Walls, Underwriter   | 615-815-2089     | lwalls@thda.org      |
| Sandy Kist, Underwriter  | 615-815-2092     | skist@thda.org       |
| Chuck Pickering, Closing Manager                                     | 615-815-2086     | cpickering@thda.org  |
| Caroline Rhodes, Mortgage Loan Specialist, Closing                   | 615-815-2098     | crhodes@thda.org     |
| Debbie Couch, Mortgage Loan Specialist, Closing                      | 615-815-2096     | dcouch@thda.org      |
| Nick Lee, Mortgage Loan Specialist, Closing                          | 615-815-2083     | nlee@thda.org        |
| Justin Hodge, Mortgage Loan Specialist, Closing                      | 615-815-2084     | jhodge@thda.org      |
| Jayna Johnson, Homebuyer Education Manager                           | 615-815-2019     | jjohnson@thda.org    |
| Donna Neal, Homebuyer Education Specialist                           | 615-815-2085     | dneal@thda.org       |
| Debbie Reeves, Real Estate Industry Advisor                          | 626-815-2152     | dreeves@thda.org     |
| Darrell Robertson, Mortgage Industry Advisor                         | 615-815-2077     | drobertson@thda.org  |
| Ella Harris, Customer Account Manager                                | 615-815-2095     | eharris@thda.org     |
| Toumie Stacy, Customer Account Manager                               | 615-815-2122     | tstacy@thda.org      |

## **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 5% of the purchase price at a 0% interest rate, deferred payment, forgivable second loan 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%.

|   |   |
|---|---|
| <b>Maximum Household Income</b>                                 | Varies by county  |
| <b>Maximum Acquisition Cost<br/>(Including all incidentals)</b> | Varies by county  |
| <b>Maximum LTV</b>  | Subject to FHA, VA, and USDA/RD Guidelines. Conventional Loans<br>78% LTV or less.  |
| <b>Interest Rate</b>  | <b>4.625%</b> fixed rate, subject to change   |
| <b>Loan Term</b>  | 30 years  |
| <b>Loan Types</b>   | FHA, VA, USDA/RD, Conventional  |
| <b>Mortgage Insurance or Guarantee</b>                          | As required by loan type  |
| <b>Buydowns</b>   | Not allowed   |
| <b>Assumable</b>  | Subject to qualifying   |
| <b>Pre-Payment Penalty</b>                                      | No penalty  |
| <b>Subject to Recapture</b>                                     | Yes   |
| <b>Required Reserve</b>   | As required by loan type  |
| <b>Minimum Investment</b>                                       | As required by loan type  |
| <b>Closing Costs</b>  | May come from borrower, seller, a gift,<br>or as required by loan type  |
| <b>Down Payment</b>   | As required by loan type  |
| <b>First Time Homebuyer Rule</b>                                | Borrower must not have an interest in their primary residence within 36 months of application <b>unless</b> 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.) |
| <b>Homebuyer Education</b>                                      | Not required  |
| <b>Origination Fee</b>  | Up to 2% maximum  |
| <b>Discount Point</b>   | Up to .25   |

## **B. Qualifying Spouse**

Applications involving married applicants require that both spouses meet the first-time homebuyer eligibility, except in Targeted Areas or if eligible for a veteran's exemption.

A non-qualifying spouse must sign the Deed of Trust.

## **C. Rescission**

THDA cannot fund or purchase a loan that is closed with a Three-day Right of Rescission.

## **D. Net Funds "To Borrower"**

A borrower cannot receive any funds from the closing that exceed amounts that they paid in advance from their personal funds for earnest money, appraisal fees, credit report fees, and homebuyer education counseling. If a grant from an entity other than THDA is included in the transaction, coordinate this subject with the grant provider. Borrowers using Great Choice Plus assistance and HHF-DPA cannot receive any funds at closing from the assistance provided.

There are circumstances that arise at the closing table that cause excessive cash back to the borrower. In these situations, THDA will allow a principal reduction to cure the issue.

## **E. Original Certificate of Title or Original Manufactured Certificate (MCO) of Origin (Manufactured Home)**

If the seller of the subject property has a mortgage on the property and the lien holder is in possession of the original title or MCO and will not release it until their loan is paid off, the original Certificate of Title with any lien noted thereon having been marked released, or Manufactured Certificate of Origin ("MCO"), in the name of the seller of the subject property or having been endorsed to the seller MUST be provided to THDA with the closing documents. If the Manufactured Home consists of more than one (1) unit, you will need to provide the title or "MCO" for each unit. THDA will not purchase the loan until we receive the original certificate of Title or original MCO.

## **F. Affidavit of Affixation (Manufactured Home)**

An Affidavit of Affixation is required on all manufactured home loans and must be recorded as a separate document. It cannot be recorded with or attached to the Deed of Trust. THDA's Affidavit of Affixation (Form HO-0453) is to be used unless the Settlement Agent uses an Affidavit of Affixation that meets the statutory requirement of TCA Section 55-3-138.

## **G. Warranty Deed**

A copy of the Warranty Deed (certified copy of recorded Warranty Deed if Manufactured Home) to the subject residence must be provided to THDA in the Closed Loan Submission package.

## **7.6 CLOSING COSTS**

### **Closing Costs and Fees a THDA Borrower May Pay**

1. The borrower may pay any and all reasonable and customary fees and costs normally charged in the market place. If THDA, in its sole discretion, determines that the borrower has been charged a fee that is exorbitant or not customarily charged in the market place, the Originating Agent will be required to refund these fees to the borrower.

## SECTION 9: THDA FORMS AND INSTRUCTIONS

As a result of Tax Code requirements, THDA must require certain forms. Application files or closed loan packages that do not contain fully executed THDA forms, as required, will not be accepted by THDA. These forms must be included in THDA application files and in THDA closed loan packages as indicated in this Guide. THDA forms are in addition to the typical forms utilized in the mortgage industry. These forms are to be considered part of this Guide.

THDA forms may not be altered.

THDA forms may not be distributed to a lender who is not an Originating Agent or to any other unauthorized individual or entity.

Detailed instructions for completion of each THDA form follows in the order that they are typically encountered in the lending process:

- Application Affidavit HO-0450 (03/11)
- Veteran Exemption Application Affidavit HO-0460 (02/07)
- Notice to Applicants Federal Recapture Requirements HO-0448 (09/99)
- Seller Affidavit HO-0451 (09/99)
- Buyer Profile HO-0439 (02/15)
- Underwriting Submission Checklist HO-0549 (02/17)
- Affidavit of Affixation HO-0453 (12/06)
- Legally Enforceable Obligation Letter HO-0476
- Closed Loan Submission Checklist HO-0541 (10/15)
- THDA Rider HO-0440 (08/03)
- Request for Loan Purchase with Acknowledgement and Certification HO-0444 (10/14)
- Good Faith Estimate for Second Mortgage HO-0575 (10/16)
- Disclosure of Loan Terms for Great Choice Plus Second Mortgage Loan HO-0574 (02/17)
- Disclosure of Loan Terms for HHF-DPA HO-0574-HHF (03/17)
- Good Faith Estimate for HHF-DPA HO-0575-HHF (03/17)
- Program Certification for HHF-DPA HO-0580-HHF (03/17)

### **APPLICATION AFFIDAVIT HO-0450 (03/11)**

### **VETERAN EXEMPTION APPLICATION AFFIDAVIT HO-0460 (02/07) (If Applicable)**

The Application Affidavit or Veteran Exemption Application Affidavit (if applicable Application Affidavit) must be executed by each applicant and non-qualifying spouse. The household income figure to be provided in item #4 is the maximum allowable income for the size of the applicant's household and location of property. The acquisition cost figure for Great Choice is to be provided in item #5 is the maximum THDA acquisition cost for the county in which the property is located. The original Application Affidavit or Veteran Exemption Application Affidavit is required by THDA. All changes or whiteouts must be initialed by the Applicant(s).

Each Application Affidavit or Veteran Exemption Application Affidavit, must be executed and notarized within the State of Tennessee; however, in rare circumstances, an Application Affidavit or Veteran Exemption Application Affidavit may be executed and notarized outside the State of Tennessee, such as when a person is a member of the armed forces, is stationed outside the state and is unable to be present while the application is being processed.

## **NOTICE TO APPLICANTS FEDERAL RECAPTURE REQUIREMENTS HO-0448 (09/99)**

This form is mandatory for all THDA loan applications. The Applicant and all Co-Applicants must sign and date the form at the time of application. Provide a copy to the Applicant. Enclose the original signed and dated form in the application file when submitted for THDA underwriting.

## **SELLER AFFIDAVIT HO-0451 (09/99)**

The seller of the property must complete a Seller Affidavit for each application file submitted to THDA. The Seller Affidavit is to assist in determining whether the purchase of the property involves more than the purchase price specified in the sales contract.

The seller must sign and date the Seller Affidavit, and it must be notarized. Enclose the original Seller Affidavit in the application file when submitting for THDA underwriting. In the absence of the original Affidavit at the time of loan approval, a prior to closing contingency will be THDA receipt of the original.

## **BUYER PROFILE HO-0439 (02/15)**

This form is critical to facilitate accurate reports by THDA. Complete this form accurately and completely and enclose it with the application file when submitted for THDA underwriting.

## **UNDERWRITING SUBMISSION CHECKLIST HO-0549 (02/17)**

Use this form as a cover sheet for all application files submitted to THDA.

Follow the checklist closely and complete all information. Items omitted may cause the application file to be returned for completion and resubmission. Do not change the size of this form.

The checklist has five main sections:

1. General Information.
2. THDA Program Eligibility. Must include original documents, notarized as indicated.
3. Great Choice Plus Loans/Downpayment/Closing Cost Assistance. Must be documented as indicated, if applicable.
4. Credit Package. Must include documentation, as indicated.

Originating Agent Information: Provide complete information, including the Originating Agent's four-digit O. A. Number as assigned by THDA. An omitted or incorrect Originating Agent number and omitted or incorrect branch address are the primary causes of misdirected commitments and misdirected funding checks.

Primary Applicant: Include primary Applicant's name as it will appear on all documents. It must be accurate and consistent.

Property Address: Must be accurate and consistent on all documents.

Submission Purpose: As indicated, this form may be used for purposes in addition to the initial submission of an application file.

Program Type: Indicate the desired THDA loan program.

Loan Type: Indicate whether the loan type is FHA, VA, Conventional or USDA/RD.

Property Type: Indicate the correct property type. Check the appropriate block to indicate a residence that is a single family detached or a condominium. Check "Other" and indicate in the blank

provided if the residence is a 2, 3 or 4 family home, or is a PUD, townhouse, zero lot line, modular or manufactured home.

#### THDA Program Eligibility/Credit Package

A check mark, an "X" or "N/A" must be indicated for each document listed on the form. Refer to Section 6.2 for additional information.

An Originating Agent staff member's signature, printed or typed name and telephone number must appear at the bottom of the checklist. Without this information, the file is considered incomplete. In addition, if this information is omitted, THDA does not know who to call if questions arise.

#### **AFFIDAVIT OF AFFIXATION HO-0453 (12/06)**

An original Affidavit of Affixation is required on all manufactured home loans and must be recorded as a separate document. It cannot be recorded with or attached to the Deed of Trust for recordation.

#### **LEGALLY ENFORCEABLE OBLIGATION LETTER HO-0476**

For any Great Choice loans insured by FHA/HUD the Originating Agent will receive a Legally Enforceable Obligation Letter (LEOL) attached to the THDA Loan Commitment. HUD/FHA requires that THDA provide a Legally Enforceable Obligation Letter when THDA has agreed to provide DPA funds in the form of the Great Choice Plus loan. The Borrower(s) is to sign the LEOL at closing and a copy of the executed LEOL must be sent back to THDA with the initial closing submission package in order for THDA to purchase the Great choice Plus loan.

The Originating Agent is to retain the original LEOL in their loan file to accompany the FHA insurance application associated with the first mortgage.

#### **CLOSED LOAN SUBMISSION CHECKLIST HO-0541 (10/15)**

Use this form when submitting all closed loan files to THDA, regardless of the source of funding. This form can also be used as a checklist for submission of follow-up documentation. Complete all items on this form. Do not change the size of this form.

#### **THDA RIDER HO-0440 (08/03)**

The THDA Rider must be completed, executed, attached to and recorded with the deed of trust for all THDA first mortgage loans, regardless of loan type. The THDA Rider must be signed by all Borrowers who are required to sign the first deed of trust and recorded with the deed of trust.

#### **REQUEST FOR LOAN PURCHASE WITH ACKNOWLEDGEMENT AND CERTIFICATION HO-0444 (10/14)**

All loans closed by the Purchase Method must be accompanied by an executed Request For Loan Purchase with Acknowledgement and Certification when delivered to THDA. By submitting a loan file for purchase by THDA, each Originating Agent is deemed to affirm the Acknowledgement and Certification appearing on the master form of the Request For Loan Purchase with Acknowledgement and Certification with respect to each loan file submitted regardless of whether the Acknowledgement and Certification is included with the form submitted with a particular loan file.



*Provide all information indicated. Check the appropriate box indicating whether the loan file is complete in all respects or not. Sign and date where indicated, print name and title, and provide telephone number. Omitted information may cause the loan file to be returned to the Originating Agent.*

**GOOD FAITH ESTIMATE FOR SECOND MORTGAGE HO-0575 (10/16)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**DISCLOSURE OF LOAN TERMS FOR GREAT CHOICE PLUS SECOND MORTGAGE LOAN HO-0574 (03/03/17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**DISCLOSURE OF LOAN TERMS FOR HHF-DPA HO-0574-HHF (03/03/17)**

This disclosure is required to be presented to the Borrower by the Originating Agent before settlement. This disclosure meets the exemption requirements under Secretary of HUD's special notice "Exemptions from Coverage Under Sections 4 and 5 of RESPA for Certain Subordinate Loans Provided by Assistance Programs for Low to Moderate Income People" dated October, 2010. This disclosure is required if a LE/CD is not provided on the subordinate second mortgage loan.

**GOOD FAITH ESTIMATE FOR HHF-DPA HO-0575-HHF (03/17)**

This form must be provided to the borrower by the originating agent before settlement. Recording fees are the only allowable fees.

**PROGRAM CERTIFICATION FOR HHF-DPA HO-0580-HHF (03/17)**

This disclosure is required by the Department of Treasury on all HHF-DPA loans.

## HHF-DPA SETTLEMENT STATEMENT

### Closing Disclosure for Hardest Hit Fund DPA Loan

Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing and are shown here for informational purposes and are not included in the totals.

**Name and Address of Borrower(s):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Property Location:** \_\_\_\_\_

\_\_\_\_\_

**Lender:**

Tennessee Housing Development Agency  
 502 Deaderick St., Third Floor  
 Nashville, TN 37243  
 (615) 815-2100

**Settlement Date:** \_\_\_\_\_

| Summary of Borrower's Transaction                    |         |
|--|---------|
| 100. Gross Amount Due from Borrower                  |         |
| 101. Contract sales price                            |         |
| 102. Personal Property                               |         |
| 103. Settlement Charges to Borrower                  |         |
| <b>120. Gross Amount Due From Borrower</b>           |         |
| 200. Amounts Paid by or in Behalf of Borrower        |         |
| 201. Deposit or earnest money                        |         |
| 202. Principal amount of new loan                    |         |
| 203. Existing loan(s) taken subject to               |         |
| 204. THDA Grant                                      | \$50.00 |
| <b>220. Total Paid by/for Borrower</b>               |         |
| 300. Cash at Settlement from/to Borrower             |         |
| 301. Gross amount due from Borrower (Line 120)       |         |
| 302. Less amount paid by/for Borrower (Line 220) ( ) |         |
| <b>303. Cash To Borrower For DPA on 1st Mtg</b>      |         |

| Settlement Charges                                |  |
|---|--|
| <b>800. Items Payable in Connection with Loan</b> |  |
| 801. Loan Origination                             |  |
| 802. Loan Discount                                |  |
| 803. Appraisal                                    |  |
| 804. Credit Report                                |  |
| 805. Lender's Inspection                          |  |
| 808. Mortgage Broker Fee                          |  |
| 809. Tax Related Service Fee                      |  |
| 810. Processing Fee                               |  |
| 811. Underwriting Fee                             |  |
| 812. Wire Transfer Fee                            |  |
| <b>1100. Title Charges</b>                        |  |
| 1101. Closing or Escrow Fee                       |  |
| 1105. Doc Preparation Fee                         |  |
| 1106. Notary Fees                                 |  |
| 1107. Attorney Fees                               |  |
| 1108. Title Insurance                             |  |
| <b>1200. Government Recording and Transfer</b>    |  |
| 1201. Recording Fees To Register of Deeds         |  |
| 1202. Deed \$ Mortgage \$                         |  |
| 1203. Transfer taxes                              |  |
| 1204. City/County tax/Stamps                      |  |
| 1205. State tax/stamps                            |  |
| <b>1300. Additional Settlement Charges</b>        |  |
| 1302. Pest Inspection                             |  |
| 1304. Homebuyer Education \$250 POC by THDA       |  |
| 1400. Total Settlement Charges                    |  |

The undersigned hereby acknowledges receipt of a completed copy of this statement.

\_\_\_\_\_  
 Borrower Signature

\_\_\_\_\_  
 Borrower Signature

## **Instructions for HHF-DPA 2<sup>nd</sup> Settlement Statement**

Please complete the Settlement Statement Form HO-0576-HHF for the second loan in order for the correct number to go on the Closing Disclosure for the first loan. It is suggested that both forms be sent to the borrower at the same time in order to meet the 3 day requirement.

THDA must receive both Closing Disclosures in the closing packages that are uploaded after closing. If the forms are not correct, the loans will not fund until they are submitted correctly.

| <b>Line</b> | <b>Description</b>   |
|-------------|--|
| 103         | Same as recording fee. Same amount on line 120 and 1400.   |
| 120         | Same amount on line 103 and 1400.  |
| 202         | Amount of 2 <sup>nd</sup> loan.  |
| 204         | \$50 grant is auto filled on the form and must be added on every loan.   |
| 220         | Total of line 202 and 204.   |
| 301         | Same amount as line 120.   |
| 302         | Same amount as line 220.   |
| 303         | Total of lines 301 and 302. This amount goes on the CD for the first loan on Line L-06.  |
| 1201        | Recording fee for 2 <sup>nd</sup> deed of trust; should also be on line 1202. This amount is normally \$42 or \$47, depending on whether an extra page is added for the legal description. |
| 1203        | Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.   |
| 1204        | Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.   |
| 1205        | Should be blank. There are no transfer taxes or tax stamps for the 2 <sup>nd</sup> loan.   |
| 1400        | Total Settlement Charges; the same as recording fee. Same amount on line 103 and 120.  |

**For additional assistance please submit questions to [sfASK@thda.org](mailto:sfASK@thda.org).**