

**ORIGINATING AGENTS
GUIDE REVISION 126**

September 18, 2017

Remove and discard:

Replace with enclosed:

Page 32 (Revised 07/20/17)	Page 32 (Revised 11/01/17)
Page 42 (Revised 04/04/17)	Page 42 (Revised 11/01/17)
Page 46 (Revised 04/04/17)	Page 46 (Revised 11/01/17)
Page 50 (Revised 08/01/17)	Page 50 (Revised 11/01/17)
Page 53 (Revised 08/01/17)	Page 53 (Revised 11/01/17)

Forms:

Good Faith Estimate Disclosure Great Choice Plus
HO-0575 (07.17)..... *discontinued*

EFFECT OF CHANGE

Effective with loan applications dated November 1, 2017 requiring down payment assistance, the \$50.00 grant will no longer be provided to the lenders to cover the cost of recording fees associated with the second mortgage loan. Originators may use TRID disclosures (Loan Estimate and Closing Disclosure).

Effective with loan applications dated November 1, 2017, the Second Mortgage Good Faith Estimate Disclosure (Form HO-0575) will be discontinued.



S. Sales Contract

Include a copy of the purchase agreement (fully executed by seller and Applicant) in the application file. Any changes to the purchase agreement must be initialed by seller and Applicant.

T. FHA Conditional Commitment

Enclose the HUD Form 92800.5B (FHA Conditional Commitment) and the Appraisal Analysis Sheet, both signed by the DE Underwriter.

U. Appraisal

Enclose an original Uniform Residential Appraisal Report (FMNA 1004) in the application file. The Uniform Residential Appraisal Report must reflect inspections of both the interior and exterior of the dwelling. If the original Appraisal must be submitted to the loan insurer or guarantor, a legible copy must be enclosed.

If the negotiated sales price for the property was modified after the Appraisal was provided, enclose a letter from the appraiser that indicates any changes in the appraiser's conclusions.

V. Flood Notification

If the property lies within a Special Flood Hazard Zone, the Originating Agent must make proper and timely disclosure to the Applicant in compliance with federal regulations. Provide a life of loan Flood Hazard certification with the initial underwriting submission package or closed loan documents.

W. Loan Estimate

The initial Loan Estimate (LE) must be included in the Underwriting Submission Package and any subsequent changes in the LE, if necessary, must be included in the Closed Loan Submission Package. The LE must be provided for the Great Choice Plus and HHF DPA second mortgage loans. Recording fees are the only allowable fees for second mortgage loans.

X. Title Commitment

Title commitment must be provided to determine if borrowers have any tax liens. Title searches must include public record information.

6.3 DOCUMENTING NEW CONSTRUCTION FOR CUSTOM BUILT HOMES

NOTE: *This section does not apply to the purchase of a new or proposed residence located on a lot that is not owned by the Applicant prior to the date of the loan closing; new construction is not allowed on HHF-DPA program..*

A. Documentation Required

1. Copy of Warranty Deed to lot.
2. Copy of construction contract.
3. Contractor's detailed cost estimate, if applicable.
4. Contractor's final itemized bill, if applicable.
5. Final inspection with photos, when complete.

B. Manufactured Housing

For manufactured housing, additional or substituted documentation must include a contract for the manufactured home and documentation for the cost of foundation, utilities, landscaping, driveways and all other necessary improvements.

2. Origination Fee

A fee up to 2% of the Base Loan Amount is permissible, and is paid to the Originating Agent. The origination fee may not be charged on financed FHA MIP, VA Guaranty Fee, USDA/RD Guaranty Fee or PMI, unless expressly permitted by FHA, VA, USDA/RD or PMI regulations. Either the Borrower or the seller may pay the Origination Fee up to 2%. No additional origination fee may be charged to the Borrower or seller.

A loan originator may designate an origination point on page 2 of the CD.

3. THDA allows the Originating Agent to charge normal and customary fees, including without limitations, appropriate application fee. If the Originating Agent elects to charge the Application Fee, it must be included on the LE and CD.

7.7 USE OF MERS SYSTEM

Originating Agents who are MERS members, in good standing, may use loan documentation showing Mortgage Electronic Registration Systems, Inc., as the nominee for Originating Agent and Originating Agent's successors and assigns for THDA loans closed on or after July 1, 2006. The THDA loan number must be reflected on all THDA loan documentation in addition to the use of the Mortgage Identification Number (MIN) as may be assigned and required by MERS.

Originating Agents shall cause each deed of trust (with THDA Rider) securing a THDA loan to be properly recorded in the Register's Office of the county in which the property is located and to register such deeds of trust with MERS in accordance with applicable MERS requirements. Originating Agent may sell servicing rights to THDA loans registered with MERS only to THDA approved Servicers who are also MERS members in good standing.

Originating Agent shall, upon THDA's request, obtain and properly record an assignment of any MERS registered THDA loan from MERS to THDA or as THDA may direct. In the event of any dispute regarding a THDA loan registered with MERS, Originating Agent shall take all steps deemed necessary by THDA to protect THDA's interest. All other requirements of this Guide and of the Working Agreement between THDA and Originating Agent shall apply to each THDA loan regardless of registration with MERS.

I. Warranty Deed

Enclose a copy (before recording) of the fully executed Warranty Deed(s) that convey(s) the property to the Borrower. A copy of the recorded Warranty Deed(s) is/are required if a Manufactured Home.

J. Closing Disclosure

The Closed Loan Submission Package must include the Closing Disclosure (CD). The CD must be included for Great Choice Plus and HHF DPA second mortgage loans.

Great Choice Loan Allowable Fees

I. Great Choice Loan:

A loan originator may designate an origination point on page 2 of the CD. THDA allows up to 2% origination points for all Great Choice loans.

Please note that THDA allows the Originating Agent to charge normal and customary fees, including without limitations, appropriate application fee. If the Originating Agent elects to charge an Application Fee, it must be included on the CD.

II. Great Choice Plus Loan:

THDA only allows customary recording fees. THDA does not allow Lender title policy on the Great Choice Plus loan. THDA Great Choice Plus loans are exempt from state stamp taxes.

K. Hazard Insurance

THDA must receive a copy of the hazard insurance policy declarations page, or a copy of the Certificate of Insurance, signed by an authorized agent of the insurance company. The original policy or Certificate of Insurance must be sent to the THDA Servicer.

L. Termite Inspection/Treatment Certificate (when applicable)

See Section 7.4.C.

M. Flood Insurance (when applicable)

See Section 7.4.E.

N. Commitment Conditions

Enclose any documents to satisfy, at closing, conditions specified in the Commitment, if not otherwise satisfied with documents listed above.

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 (07/17)
- Seller Affidavit HO-0451 (09/99)
- Buyer Profile HO-0439 (02/15)
- Underwriting Submission Checklist HO-0549 (07/17)
- Affidavit of Affixation HO-0453 (12/06)
- Legally Enforceable Obligation Letter HO-0476
- Closed Loan Submission Checklist HO-0541 (07/17)
- THDA Rider HO-0440 (08/03)
- Request for Loan Purchase with Acknowledgement and Certification HO-0444 (10/14)
- 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 (07/17)
- Program Certification for HHF-DPA HO-0580-HHF (03/17)
- Third Party Authorization for HHF-DPA HHF-DPA-1002 (07/17)

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.

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.

**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 (07.17)

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.

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

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

THIRD PARTY AUTHORIZATION FORM FOR HHF-DPA HHF-DPA-1002 (07/17)

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

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