Great Choice Loan Program Advantages

Your clients should have every opportunity to purchase a home. Consider the following THDA Great Choice Loan Program advantages so that you can help them select the best mortgage loan:

- THDA’s Great Choice Loan program is designed for low and moderate income borrowers at a low interest rate on a 30 year fixed mortgage loan.

- THDA’s Great Choice Plus provides down payment assistance up to $7,500 for qualified borrowers as a second mortgage with the Great Choice loan (first mortgage). On a FHA loan, with the seller paying closing costs for buyer, the buyer may have little money down. The second mortgage loan has an interest rate that is the same as the first mortgage rate, and monthly payments amortized over 15 years.

- When not needed for down payment, THDA funds can be used to pay closing costs and prepaids. On VA loans, and even on FHA loans where borrower has down payment saved, but not sufficient savings to also pay closing costs, the funds can be used. This is hugely important when seller is underwater and can’t help with the buyer’s closing costs.

- For homes with a purchase price of under $150,000, the amount of down payment assistance is $6,000. For homes with a purchase price at or over $150,000, the amount of down payment assistance is $7,500.

- A study in the Journal of Policy Analysis and Management (2016) shows that homebuyer education reduces the risk of foreclosure among homebuyers. Homebuyer education is required on any THDA loan, and is offered in classes taught by professional homebuyer education providers or as an on-line course.

- THDA guarantees a 5 day underwriting turn-time (usually same day) with quick funds after closing.

- Veterans or active duty military personnel, including Reservists, National Guard and surviving spouses get a 1/2% reduction in interest rate on FHA, VA, RD or conventional loans. Veterans (with DD-214 honorable discharge or DD-4 re-enlistment form) do not have to be a first-time homebuyer to obtain a THDA mortgage.

- The first-time homebuyer requirement is waived for all buyers purchasing in a targeted area. Click here to see the Targeted Areas.

- THDA provides a free 6-month interest rate lock on new construction. This means that the rate cannot go up during 6 months while home is being constructed. This is provided at no cost to the buyer or builder. The commitment is issued before ordering construction with appraisal from plans and specs or from a model home.

Contact THDA
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