MEMORANDUM

DATE: March 27, 2019

TO: New Start Partners

FROM: Rhonda Ronnow, Director of Loan Operations, Single Family Programs

SUBJECT: New Start Update – Middle TN Market

THDA would like to announce changes to the New Start Program for the middle Tennessee market. With the increase in building and development costs, THDA understands the struggle non-profit housing agencies have covering their costs while meeting the needs of low-income homebuyers. Therefore, THDA has received approval to make an adjustment to the acquisition price in the following counties: Maury, Williamson, Davidson, Rutherford, Wilson and Sumner.

Effective today, March 27, 2019, the maximum acquisition cost for these 6 designated counties will be increased to $190,000, with a maximum New Start Mortgage Loan amount of $123,750. All other counties will continue to have a maximum acquisition limit of $150,000, maximum loan to value of 75% with a maximum loan amount of $112,500.

This change in acquisition price limit allows the participating non-profit agencies to maintain sales prices at the current market value of these homes; therefore not forgoing any equity to be earned on the sale of the property. Based on the maximum loan limit of $123,750, the increase in acquisition price should decrease the loan to value to below 75% in the middle Tennessee market.

We appreciate your participation in the New Start Loan Program, it has been a viable program that assists low-income families to obtain affordable housing. If you have any questions, please call 615-815-2111 or send an email to SFask@thda.org.