

Great Choice Loan Program Explanation

The Great Choice Loan Program offers 30-year, fixed rate mortgages to qualified first-time, repeat and military veteran homebuyers. Great Choice is used in conjunction with FHA, VA, USDA-RD and uninsured conventional loans. Borrowers must meet the minimum qualifications: satisfactory credit history, income that does not exceed the maximum income limits and a home whose purchase price does not exceed the maximum acquisition price limits. Additionally, all Great Choice Plus and Homeownership for the Brave homebuyers must participate in a THDA-approved homebuyer education course. To find a THDA-approved homebuyer education course in your area, please [click here](#). To register for the online course, please [click here](#).

THDA currently requires a 640 minimum FICO credit score. To find out your credit score, contact one of our approved lenders in your area. If the lender lets you know that your score is too low, our homebuyer education counselors can help you with strategies to raise your credit score.

Great Choice loans are designed to help low to moderate income Tennesseans purchase modest homes. Income limits are based on the size of your household and county in which you desire to live.

To see a list of maximum income limits by county, please [click here](#).

To see a list of maximum purchase price limits by county, please [click here](#).

The Great Choice Loan Program consists of two parts: **Great Choice** and **Great Choice Plus**.

- **Great Choice** is the 30-year, fixed rate mortgage loan referenced above.
- **Great Choice Plus** is a 0% interest, deferred, second mortgage to provide homebuyers with down payment assistance up to 5% of the purchase price of the home.

Borrowers do not have to receive a Great Choice Plus loan in order to receive a Great Choice loan. However, any borrower receiving down payment assistance through a Great Choice Plus loan **MUST** receive a Great Choice loan.

How does **Great Choice Plus** work?

Even though Great Choice Plus is a second mortgage, it is not as complicated as it may sound. Since it is a 0% interest, non-amortizing, deferred loan, there are no monthly payments. The second mortgage loan is forgiven at the end of the term of the Great Choice first mortgage loan. If you choose to sell your home prior to the end of the loan term, or refinance your first mortgage loan, the second mortgage balance would be due.