Tennessee Housing Development Agency

404 James Robertson Parkway, Suite 1200
Nashville, Tennessee 37243-0900
615-815-2200

Ted R. Fellman
Executive Director

Writer's Phone: 615-815-2142
Writer's Fax 615-564-2700
Writer's e-mail: eyandell@thda.org

MEMORANDUM

TO: All Interested Parties

FROM: Legal Division
Multifamily Development Division

SUBJECT: THDA Date-Down Endorsement Procedure

DATE: January 31, 2011

The following are THDA's requirements for date-down Endorsements prior to each construction draw made subsequent to the initial closing on TCAP or Section 1602 loans:

1. The Borrower shall request that the title insurance company issue an Endorsement to THDA's Loan Policy that confirms that the title company has checked down the title to and through the date shown on the Endorsement and shows no intervening liens or other title matters affecting title to the property secured by THDA's Deed of Trust. Any intervening liens must be cleared, bonded over, paid out of any disbursement from THDA, or accepted by THDA in THDA's sole discretion.

2. The Borrower shall pay the cost of the Endorsement to the title company in advance or otherwise as the title company may require. THDA will not pay for this required Endorsement.

3. The Endorsement shall insure that the title is clear (or otherwise acceptable to THDA in its sole discretion) and shall cover the period of time from the date of the THDA Loan Policy or the last date-down Endorsement to the date of the current Endorsement.

4. The Endorsement shall reference the Loan Policy number and state that the date of the policy is changed to the new date shown in the Endorsement.

5. The Endorsement should basically state that THDA is making an advance on the loan secured by the THDA Deed of Trust in the amount currently submitted by Borrower and should also show the cumulative amount of all approved draws to the date of the Endorsement that will now be advanced by THDA, including the amount currently submitted by Borrower.

6. The form of the Endorsement must contain language substantially similar to the form below, and must be signed by an authorized agent of the title company:

TYPICAL FORM OF DATE-DOWN ENDORSEMENT:

"Attached to and forming a part of _____ Title Insurance Policy Number _____.

Date of Policy is changed to: _____ ____, 2011 @ ____ _.m.

Schedule B, the Item referring to the pending disbursement provisions hereunder, is amended to currently reflect the liability thereunder as follows:

Current advance: *$_____*

Cumulative amount drawn to date: *$_____*

7. The title company must provide a draft of the Endorsement prior to the first draw. Subsequent drafts are not required unless a change is proposed to the language of a draft previously approved by THDA.

8. If a THDA disbursement is not made within ten (10) business days from the date of the Endorsement, a new Endorsement will be required.

If you have questions, please contact:

Ed Yandell, Director of Multifamily Development, 615/815-2142 or eyandell@thda.org

or

Mike Blade, Assistant General Counsel for Multifamily Development, 615/815-2029 or mblade@thda.org

THDA is an equal opportunity, equal access, affirmative action employer.
Telecommunication Device for the Deaf (615) 532-2894