Ted R. Fellman, Executive Director
Tennessee Housing Development Agency
404 James Robertson Parkway, Suite 1200
Nashville, Tennessee 37243-0900
www.thda.org

ORIGINATING AGENTS GUIDE
REVISION 59

August 30, 2010

Remove and discard: **Replace with enclosed:**

Page 4 (Revised 05/27/10)…….……. Page 4 (Revised 09/01/10)

EFFECT OF CHANGE

Effective Wednesday, September 1, 2010, the interest rate on all Single Family Program applications will be reduced. The reduced interest rates are 4.20% for Great Rate and Great Save, 4.50% for Great Advantage, and 4.80% for Great Start. All loan applications, including electronic submissions, received on or after September 1, 2010 must be submitted at the lower rate. All program applications received by THDA prior to September 1, 2010, and outstanding commitments at the higher rates of 4.60% for Great Rate and Great Save, 4.90% for Great Advantage, and 5.20% for Great Start, remain in effect and the respective loan must close at those rates.

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

1.4. CURRENT THDA LOAN PROGRAMS

A. Great Rate/Great Advantage/Great Start

These programs are designed for low- and moderate-income borrowers. The **Great Rate** program offers a below market interest rate loan secured by a first mortgage. The **Great Advantage** and **Great Start** programs offer a loan at a slightly higher interest rate, secured by a first mortgage, but offer assistance with down payment and closing costs. Each loan program is described below.

HOMEOWERSHIP CHOICES

	Great Rate	**Great Advantage**	**Great Start**
Maximum Household Income	Varies by county	Varies by county	Varies by county
Maximum Acquisition Cost (Including all incidentals)	Varies by county	Varies by county	Varies by county
Interest Rate	**4.20%** fixed rate, subject to change	**4.50%** fixed rate, subject to change	**4.80%** fixed rate, subject to change
Loan Term	30 years	30 years	30 years
Loan Types	FHA, VA, USDA/RD, Conventional	FHA, VA, USDA/RD	FHA, VA, USDA/RD
Mortgage Insurance or Guarantee	As required by loan type	As required by loan type	As required by loan type
Buydowns	Not allowed	Not allowed	Not allowed
Assumable	Subject to qualifying	Subject to qualifying	Subject to qualifying
Pre-Payment Penalty	No penalty	No penalty	No penalty
Subject to Recapture	Yes	Yes	Yes
Required Reserve	As required by loan type	As required by loan type	As required by loan type
Minimum Investment	As required by loan type	As required by loan type	As required by loan type
Closing Costs	May come from borrower, Seller, a gift, or as required by loan type	2% of loan amount available to borrower(s) as assistance with down payment and closing costs. The entire 2% assistance grant must be used.	4% of loan amount available to borrower(s) as assistance with down payment and closing costs. The entire 4% assistance grant must be used.
Down Payment	As required by loan type		
Homebuyer Education	Not required	Required	Required
Origination Fee	Maximum 1%	Maximum 1%	Maximum 1%
Discount Point	Maximum ¼%	Maximum ¼%	Maximum ¼%