



**Tennessee Housing
Development Agency**

Leading Tennessee Home

Homeownership Choices Mortgage Program

September 10, 2007

THDA web site: www.thda.org

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THDA Mortgage Program

Common Eligibility Requirements:

- **THDA mortgages are intended for low- and moderate-income homebuyers.** A borrower's household income cannot exceed certain limits. The limits are based on the size of the household and county in which the property is located. (See page 3 for specific county income limits.)
- **THDA mortgages are intended for modest homes.** The acquisition cost cannot exceed certain limits that vary by county. (See page 3 for specific county acquisition cost limits.)
- **All mortgages in excess of 78% LTV must be insured or guaranteed** by VA, FHA, USDA/RD, or Private Mortgage Insurance.
- **Generally, THDA mortgages are made to first-time homebuyers.** A first-time homebuyer is anyone who has not occupied a home they owned, or currently own as their principal residence during the past three years. All borrowers obligated on the loan must be first-time homebuyers. The first-time homebuyer requirement is waived when the property being purchased is located in a county, or in a census tract within a county, designated as a "Targeted" area. (See page 3 for Targeted areas.)
- **THDA mortgages are made only to persons who will use the home as their principal residence.** In order to be eligible for a THDA-funded mortgage, a property can be up to four units, providing the borrower occupies one of the units as his or her principal residence. Rental income from the additional units will count as income towards the borrower's household income limit. A THDA mortgage can not be used for purchasing investment property, or for a second home, or for property to be used in the operation of a business.

Common Mortgage Conditions:

- **All mortgages are for 30-year terms at fixed rates.** The borrower may not "buy down" the mortgage rate by paying discount points.
- **Most mortgages are assumable, subject to the new buyer meeting THDA qualifying terms and a borrower may pre-pay mortgage principal without penalty.**
- **Homebuyer education/counseling is encouraged, but not required on Great Rate loans. Homebuyer education is required on Great Advantage and Great Start loans.**
- **All mortgages are subject to federal recapture provisions, if the home is sold within the first nine years.**
- **A down payment may be required for some loan types and there will be costs associated with closing a loan.** The costs required to be paid by the borrower at closing may come from the borrower, the seller, as a gift, or as required or permitted by loan type.
- **Originating Agents may charge a one-percent (1%) origination fee and ¼% discount.**

Documentation Required for a THDA Loan:

THDA borrowers should expect to provide detailed information about their financial status, their employment history, and their recent residency. For example, borrowers will need to provide:

- Verification of all incomes in the borrower's household;
- The most recent pay stub for each obligated borrower;
- The most recent federal income tax return, or other acceptable documentation, from the IRS.

THDA Acquisition Cost and Income Limits

		Acquisition Cost Limits	Household Income Limits				Acquisition Cost Limits	Household Income Limits	
			1-2 Persons	3 + Persons				1-2 Persons	3 + Persons
Counties					Counties				
Anderson	*	\$200,160	\$54,800	\$63,020	Lewis		\$200,160	\$51,200	\$58,880
Bedford		\$200,160	\$51,200	\$58,880	Lincoln	T	\$200,160	\$51,200	\$58,880
Benton		\$200,160	\$51,200	\$58,880	Loudon	T	\$200,160	\$54,800	\$63,020
Bledsoe	T	\$200,160	\$51,200	\$58,880	McMinn		\$200,160	\$51,200	\$58,880
Blount		\$200,160	\$54,800	\$63,020	McNairy	T	\$200,160	\$51,200	\$58,880
Bradley	*	\$200,160	\$52,400	\$60,260	Macon	T	\$226,100	\$51,200	\$58,880
Campbell	T	\$200,160	\$51,200	\$58,880	Madison	T	\$200,160	\$51,700	\$59,455
Cannon	T	\$226,100	\$61,600	\$70,840	Marion	T	\$200,160	\$52,500	\$60,375
Carroll	T	\$200,160	\$51,200	\$58,880	Marshall		\$200,160	\$53,300	\$61,295
Carter		\$200,160	\$51,200	\$58,880	Maury	T	\$200,160	\$61,600	\$70,840
Cheatham		\$226,100	\$61,600	\$70,840	Meigs	T	\$200,160	\$51,200	\$58,880
Chester	T	\$200,160	\$51,700	\$59,455	Monroe	T	\$200,160	\$51,200	\$58,880
Claiborne	T	\$200,160	\$51,200	\$58,880	Montgomery	*	\$200,160	\$51,200	\$58,880
Clay	T	\$200,160	\$51,200	\$58,880	Moore		\$200,160	\$51,200	\$58,880
Cocke	T	\$200,160	\$51,200	\$58,880	Morgan	T	\$200,160	\$51,200	\$58,880
Coffee	*	\$200,160	\$51,200	\$58,880	Obion	T	\$200,160	\$51,200	\$58,880
Crockett	T	\$200,160	\$51,200	\$58,880	Overton	T	\$200,160	\$51,200	\$58,880
Cumberland		\$200,160	\$51,200	\$58,880	Perry		\$200,160	\$51,200	\$58,880
Davidson	*	\$226,100	\$61,600	\$70,840	Pickett	T	\$200,160	\$51,200	\$58,880
Decatur		\$200,160	\$51,200	\$58,880	Polk	T	\$200,160	\$52,400	\$60,260
DeKalb	T	\$200,160	\$51,200	\$58,880	Putnam		\$200,160	\$51,200	\$58,880
Dickson		\$226,100	\$61,600	\$70,840	Rhea	T	\$200,160	\$51,200	\$58,880
Dyer	T	\$200,160	\$51,200	\$58,880	Roane		\$200,160	\$51,200	\$58,880
Fayette	T	\$200,160	\$57,300	\$65,895	Robertson		\$226,100	\$61,600	\$70,840
Fentress	T	\$200,160	\$51,200	\$58,880	Rutherford		\$226,100	\$61,600	\$70,840
Franklin	T	\$200,160	\$51,200	\$58,880	Scott	T	\$200,160	\$51,200	\$58,880
Gibson	T	\$200,160	\$51,200	\$58,880	Sequatchie	T	\$200,160	\$52,500	\$60,375
Giles	T	\$200,160	\$51,200	\$58,880	Sevier		\$200,160	\$52,750	\$60,663
Grainger	T	\$200,160	\$51,200	\$58,880	Shelby	*	\$200,160	\$57,300	\$65,895
Greene	T	\$200,160	\$51,200	\$58,880	Smith		\$226,100	\$51,200	\$58,880
Grundy	T	\$200,160	\$51,200	\$58,880	Stewart	T	\$200,160	\$51,200	\$58,880
Hamblen	*	\$200,160	\$51,200	\$58,880	Sullivan		\$200,160	\$51,200	\$58,880
Hamilton	*	\$200,160	\$52,500	\$60,375	Sumner		\$226,100	\$61,600	\$70,840
Hancock	T	\$200,160	\$51,200	\$58,880	Tipton	T	\$200,160	\$57,300	\$65,895
Hardeman	T	\$200,160	\$51,200	\$58,880	Trousdale	T	\$226,100	\$61,600	\$70,840
Hardin	T	\$200,160	\$51,200	\$58,880	Unicoi	T	\$200,160	\$51,200	\$58,880
Hawkins	T	\$200,160	\$51,200	\$58,880	Union	T	\$200,160	\$54,800	\$63,020
Haywood	T	\$200,160	\$51,200	\$58,880	Van Buren	T	\$200,160	\$51,200	\$58,880
Henderson	T	\$200,160	\$51,200	\$58,880	Warren		\$200,160	\$51,200	\$58,880
Henry		\$200,160	\$51,200	\$58,880	Washington	*	\$200,160	\$51,200	\$58,880
Hickman	T	\$226,100	\$51,200	\$58,880	Wayne	T	\$200,160	\$51,200	\$58,880
Houston	T	\$200,160	\$51,200	\$58,880	Weakley		\$200,160	\$51,200	\$58,880
Humphreys		\$200,160	\$51,200	\$58,880	White	T	\$200,160	\$51,200	\$58,880
Jackson	T	\$200,160	\$51,200	\$58,880	Williamson		\$226,100	\$61,600	\$70,840
Jefferson	T	\$200,160	\$51,200	\$58,880	Wilson		\$226,100	\$61,600	\$70,840
Johnson	T	\$200,160	\$51,200	\$58,880	T Denotes a targeted county. The first-time homebuyer requirement is waived. * Denotes that some census tracts in the county are targeted, and in these census tracts, the first-time homebuyer requirement is waived.				
Knox	*	\$200,160	\$54,800	\$63,020					
Lake	T	\$200,160	\$51,200	\$58,880					
Lauderdale	T	\$200,160	\$51,200	\$58,880					
Lawrence	T	\$200,160	\$51,200	\$58,880					

THDA's Homeownership 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.

HOMEOWNERSHIP 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	See current rates at www.thda.org , subject to change	See current rates at www.thda.org , subject to change	See current rates at www.thda.org , subject to change
Loan Term	30 year/fixed rate (1 st mortgage)	30 year/fixed rate (1 st mortgage)	30 year/fixed rate (1 st mortgage)
Loan Types	FHA, VA, USDA/RD, Conventional	FHA, VA, USDA/RD, Conventional	FHA, VA, USDA/RD, Conventional
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% on 1 st mortgage	Maximum 1% on 1 st mortgage	Maximum 1% on 1 st mortgage
Discount Point	Maximum ¼% on 1 st mortgage	Maximum ¼% on 1 st mortgage	Maximum ¼% on 1 st mortgage

Revised on 09/10/07