

# News Release



404 James Robertson Parkway, Suite 1200  
Nashville, TN 37243-0900 [www.thda.org](http://www.thda.org)  
Patricia M. Smith, Director of Public Affairs, (615) 815-2185

## Credit Becomes Downpayment Federal Recovery Act Credit Jump Starts Mortgage

**NASHVILLE, April 2, 2009** – The first-time homebuyer tax credit from the federal Recovery Act can be used to buy a home now with a Stimulus Loan.

First-time homebuyers are able to borrow funds from Tennessee Housing Development Agency at no interest for a short period until they receive the First-Time Homebuyer Credit authorized in Section 3011 of the Housing and Economic Recovery Act of 2008, as amended by Section 1006 of the American Recovery and Reinvestment Act of 2009.

Tennessee Housing Development Agency has designed a second mortgage program available through participating lenders effective April 1 through November 30.

“The Stimulus Loan provides funds for the homebuyer at the time of purchase,” said Laura Sinclair, director of Single Family Programs division of THDA. “The federal government knows the benefits of homebuying for the individual consumer, and the industry members – homebuilders, lenders, and real estate professionals. The Stimulus Loan helps the household that is ready to buy, but needs downpayment and closing cost assistance.”

The federal tax credit is available to all first-time homebuyers. The Stimulus Loan is available to persons using THDA’s mortgage products. THDA offers affordable mortgage financing to first-time buyers of low to moderate income who purchase modest homes. The limits are posted on THDA’s website, [www.thda.org](http://www.thda.org). The mortgages are originated by local lenders that have been authorized by THDA. The lenders are posted at [www.thda.org](http://www.thda.org).

“Housing finance agency mortgages were not able to be used with last year’s \$7,500 tax credit,” said Sinclair. “We are pleased with the new legislation that allows the new \$8,000 credit to be used in conjunction with THDA’s products, and the credit does not have to be repaid. March 19, THDA’s Board of Directors approved our program to allow buyers to borrow up to 3 ½% of the purchase price to assist with downpayment and closing costs. Now is a great time to buy a home in Tennessee.”

The federal definition of a first-time homebuyer is a person who has not lived in or had ownership of their primary residence for the last three years.

THDA’s lenders are listed by county on its website – [www.thda.org](http://www.thda.org). The regular limits for acquisition and income limits apply for the stimulus loan program.

-more-

Both existing homes and homes under construction are eligible.

“THDA borrowers can be approved and lock in their interest rate for up to six months while their home is being built,” said Sinclair. “That’s a real positive for first-time homebuyers and the homebuilding industry.”

-30-

THDA is a political subdivision of the State of Tennessee. THDA is the state’s housing finance agency, responsible for selling tax exempt mortgage revenue bonds to offer affordable mortgage funds to homebuyers of low and moderate incomes through local lenders, and to administer various housing programs targeted to very low-, low- and moderate-income households.

THDA was established in 1973, making its first mortgage in 1974. It has provided affordable fixed rate mortgages to over 100,000 households without using state tax dollars. THDA issues between \$250 and \$300 million in mortgage revenue bonds annually for its first-time homebuyer program.

In the year 2006, THDA created the Tennessee Housing Trust Fund using state, THDA and locally-generated match to support programs for the very-low income, elderly and special needs populations.

More information about THDA is available on-line at [www.thda.org](http://www.thda.org). More information about the Recovery Act is available at [www.Recovery.gov](http://www.Recovery.gov).