

Great Save (Refinance)

This program is designed for low- and moderate-income borrowers who currently have an adjustable rate mortgage loan on their principal residence that was made after December 31, 2001, and before January 1, 2008, that, as determined by THDA, would be reasonably likely to cause a financial hardship to the borrower if not refinanced (“Qualified Adjustable Rate Mortgage Loan”). The following guidelines are required.

[Click here](#) to find a participating lender

	Great Save (Refinance Program)
Qualified Adjustable Rate Mortgage Loan Date	Closed after December 31, 2001, and before January 1, 2008
Program Expiration Date	December 31, 2010
THDA Downpayment and Closing Cost Assistance	Not Available
Maximum Household Income	Varies by county—cannot exceed current THDA income limits
Appraised Value	Cannot exceed acquisition cost limit for the county
Primary Residence	Must be a one unit single family resident occupied by the borrower as their primary residence
Underwriting Guidelines	Must comply with FHA, VA, FNMA, or FHLMC (no expanded approvals)
Loans in Excess of 78% LTV	Must be insured and/or guaranteed by FHA, VA or a THDA approved PMI company
Borrower’s Liquid Assets (which may be liquidated without penalty)	Must be less than 10% of the Qualified Adjustable Rate Mortgage Loan balance
Cash Out Refinance	Not permitted
Interest Rate	Equal to the interest rate for THDA Great Rate Loans
Loan Term	30 years, fixed rate
Loan Type	FHA, VA, Conventional
Mortgage Insurance or Guarantee	As required by loan type
Assumable	Subject to qualifying
Prepayment Penalty	No penalty
Subject to Recapture	Yes
Closing Costs	Depending on appraised value, may be included in loan amount or as required by loan type
Homebuyer Education	Must complete “Keeping the American Dream” counseling course Required through a certified THDA Trainer prior to closing
Origination Fee	Maximum 1%
Discount	Maximum ¼%
“Financial Hardship”	<p>Must be established by demonstrating that any one of the following criteria is met at the time of application for and closing of a Great Save loan:</p> <ul style="list-style-type: none"> • The payment to income ratio based on the current payment for the Qualified Adjustable Rate Mortgage Loan or based on the payment following the next anticipated rate adjustment will be greater than 31% of current credit qualifying income; or • The payment to income ratio based on the lifetime capped interest rate (fully indexed) of the Qualified Adjustable Rate Mortgage Loan will be greater than 35% of current credit qualifying income; or • The lifetime capped interest rate for the Qualified Adjustable Rate Mortgage Loan exceeds the Great Save interest rate offered by THDA by more than 2%; or • The Qualified Adjustable Rate Mortgage Loan includes a prepayment penalty of \$1,000.00 or greater; or • An involuntary reduction of household income of at least 5% monthly or increased expenditures due to death, permanent disability, serious illness or injury of the borrower or co-borrower has occurred since the origination of the Qualified Adjustable Rate Mortgage Loan.