

Down Payment Resources

August 5th, 2020

Moderators:

Katelynn Harris, Senior Program and Policy Specialist for Affordable Housing Initiatives, MBA
John Paul Shaffer, AICP, Executive Director, BLDG Memphis

Panelists:

Rob Chrane, CEO, Down Payment Resource
Sean Moss, SVP, Down Payment Resource
Juanita Hamilton, Down Payment Assistance Program Manager, Division of Housing & Community Development
Ella Harris, Customer Account Manager, IGA, Tennessee Housing Development Agency
Amy Schaftlein, Executive Director, United Housing, Inc.



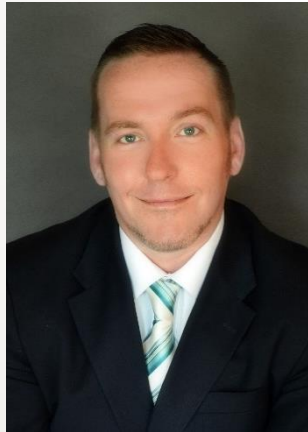
Katelynn Harris
Senior Program and Policy Specialist for Affordable Housing Initiatives
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John Paul Shaffer, AICP
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Division of Housing & Community Development



Ella Harris
Customer Account Manager, IGA
Tennessee Housing Development Agency



Amy Schaftlein
Executive Director
United Housing, Inc.

What is Down Payment Resource (DPR)?

- We help our business partners connect homebuyers with the down payment help they need.
- Licensed to Lenders, MLSs, Realtor Associations and Housing Non-Profits.
- Award-winning database of ~2,300 DPAs, Grants, Bond, MCCs and other affordable lending programs.
- Funding status, eligibility rules, benefits and more updated monthly.



Potential DPA Impact – Memphis, TN-MS-AR

~67% of homes for sale are eligible for DPA



Loans

Loans eligible for
assistance
39% or 32,151



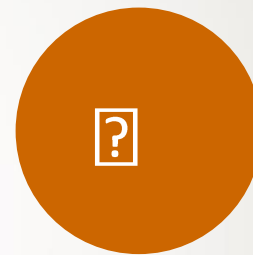
Programs

Average programs
eligible
2.6 programs



Dollars

Average amount of
assistance
\$12,104



Affordability

Could this help make
homeownership a reality
for more buyers?

Source: 2018 Urban Institute Barriers to Accessing Homeownership Report

44 Programs Available in Memphis/Shelby County

Max Sales Price:

- \$250k from THDA
- \$254k from City of Memphis
- Some programs may go higher in targeted areas or other circumstances

Max Income:

- THDA up to HH1-2=\$66,584 and HH3+=\$76,572
- 80% AMI, some programs go higher (120-200% AMI) in certain circumstances

Max Assistance:

- Up to \$7,500 from THDA (average about \$8k per borrower in 2018)
- 10% or \$10k from City of Memphis
- \$3,500 from Shelby County
- \$5k from UHI
- \$5k to \$25k from The Housing Fund, Inc
- FHLB funds as available



**\$6,000
Or
\$7,500
DPA**

**Anywhere
in TN**


**Tennessee Housing
Development Agency**

Great Choice
HOME LOAN

GE-97
HOME LOAN

First Mortgage Products



FIRST MORTGAGE

Great Choice
HOME LOAN

30 Year Fixed Rate
FHA, VA, USDA, CONV
THDA Sets Rate

ALL ELIGIBLE APPLICANTS

FIRST MORTGAGE

Homeownership for the Brave

30 Year Fixed Rate
FHA, VA, USDA, CONV
Discounted Rate
50 BPS Reduction

ELIGIBLE MILITARY, VETERANS,
SPOUSES

FIRST MORTGAGE

gc.97

30 Year Conventional
Fixed Rate
Freddie Mac Product
THDA Sets Rate

ALL ELIGIBLE APPLICANTS

Mortgage DPA Products



**AVAILABLE ON ALL
PROGRAMS**

**THDA PROVIDES
\$6000 < \$150,000
\$7,500 ≥ \$150,000
Towards Down Payment
and/or Closing Costs**

THDA Sets the Rate

**GREAT CHOICE
PLUS DPA**

**Second Mortgage
15 Year Term
Fixed Rate
Rate Same as First Mortgage
Fully Amortizing
No Prepayment Penalty**

**Available For Great Choice
and GC 97**

**GREAT CHOICE
PLUS DPA**

**Second Mortgage
15 Year Term
Fixed Rate
Rate Same as First Mortgage
Fully Amortizing
No Prepayment Penalty**

**Homeownership For
the Brave Eligible Applicants**

Program Requirements For GREAT CHOICE Program Only

FIRST TIME HOMEBUYER*

SINGLE FAMILY RESIDENCE

HOUSEHOLD INCOME LIMIT

OWNER OCCUPIED

AQUISITION COST LIMIT

SCORE 640 MIN/ 45% MAX DTI*

Program Requirements For GC-97 Program Only

FREDDIE MAC PRODUCT
ONLY

SINGLE FAMILY RESIDENCE

INCOME LIMIT EQUALS
QUALIFYING INCOME

OWNER OCCUPIED

AQUISITION COST LIMIT

SCORE 660 MIN/ 45% MAX DTI*

GC AND GC-97 COMPARISON MATRIX

MORTGAGE PROGRAM COMPARISON

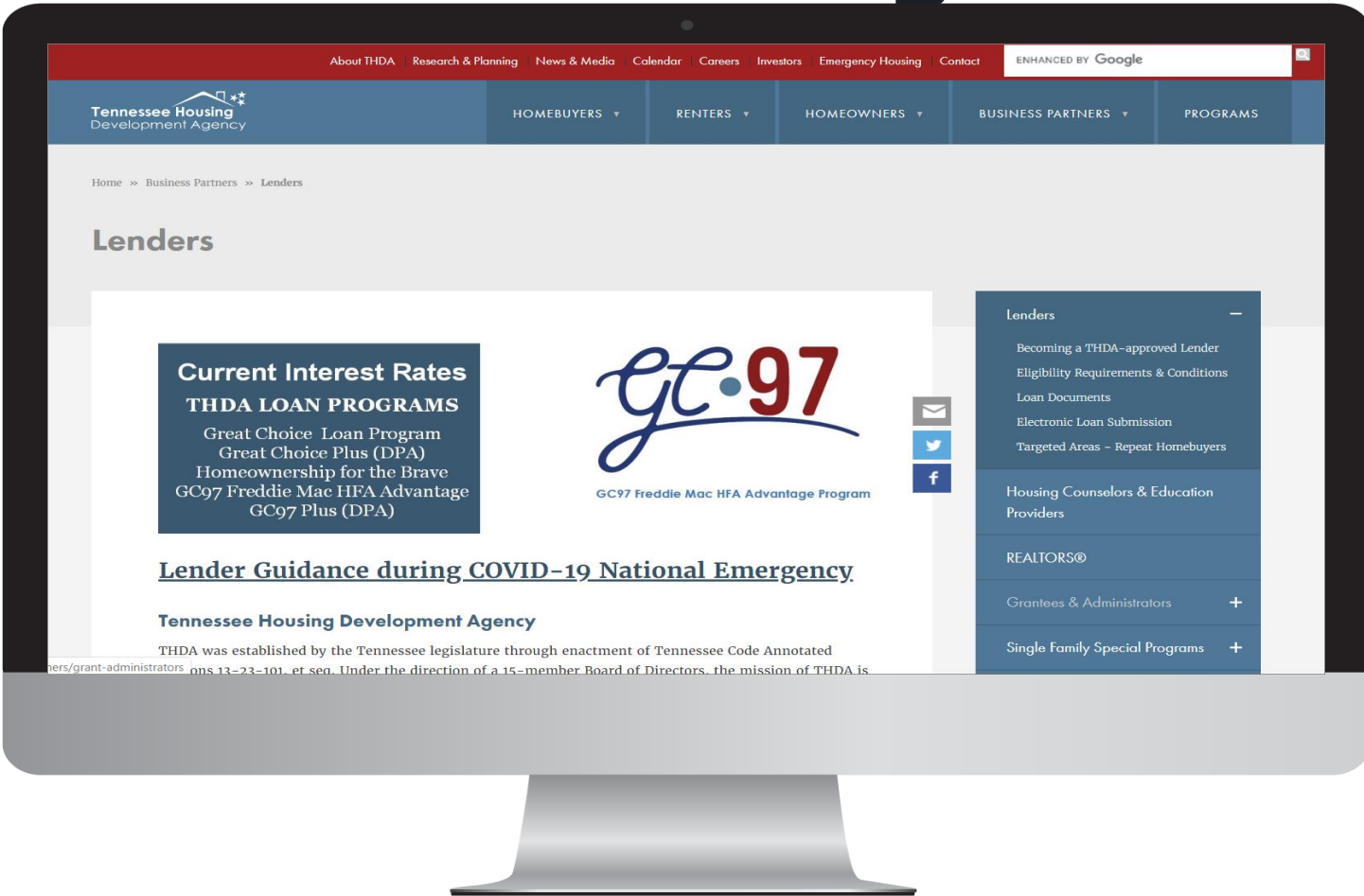
PROGRAM	GC97/97PLUS* HFA ADVANTAGE	GREAT CHOICE/ GREAT CHOICE PLUS*
PRODUCT EXECUTION	Mortgage Backed Security	Mortgage Revenue Bond
LOAN TYPE	Conventional Insured >78%	Government Loans & Uninsured Conventional
CREDIT SCORE	660 Minimum	640 Minimum
LTV	97%	Dependent on guarantor/insurer program
CLTV	Max 105%	Dependent on Loan Type
UNDERWRITING TYPE	LPA Accept-HFA Advantage Only	AUS approved, no score or refer/eligible**
PROPERTY TYPES ALLOWED	SFR, Condo, PUD, Townhome	SFR, Condo, PUD, Townhome, or MFG Home
UNITS	One Unit Primary Residence	Up to 4 units***
INCOME LIMITS	80% of AMI See Home Possible Limits	County Limits See THDA website
INCOME ELIGIBILITY	Qualifying Income	Qualifying & Household Income
OWNERSHIP OF OTHER PROPERTY	Allowed one additional property not THDA	Allowed-Calculated at 75% gross rent
NON-OCCUPANT CO-BORROWER	Not Allowed	Not Allowed
MORTGAGE INSURANCE	Per Freddie Mac HFA Advantage guidelines	Per Guarantor/Insurer program
FIRST-TIME HOMEBUYER REQUIREMENT	No	Yes --or Targeted Area or Eligible Veteran
THDA UNDERWRITING DOCS	None, only GC97 UW/Submission	Seller & Borrower affidavit, recapture disclosure, program disclosure
LENDER COMPENSATION	1.75% paid at time of purchase, 1% SRP no org/disc. points	1.75% paid at time of purchase, 1% SRP no org/disc. points

* Down Payment Assistance Available

** 2 out of 3 compensating factors

*** 1 unit 0/0-75% rent for additional units

THDA.org



Lenders

Current Interest Rates THDA LOAN PROGRAMS

Great Choice Loan Program
Great Choice Plus (DPA)
Homeownership for the Brave
GC97 Freddie Mac HFA Advantage
GC97 Plus (DPA)



GC97 Freddie Mac HFA Advantage Program



Lenders

- [Becoming a THDA-approved Lender](#)
- [Eligibility Requirements & Conditions](#)
- [Loan Documents](#)
- [Electronic Loan Submission](#)
- [Targeted Areas - Repeat Homebuyers](#)

Housing Counselors & Education Providers

REALTORS®

[Grantees & Administrators](#) +

[Single Family Special Programs](#) +

[Lender Guidance during COVID-19 National Emergency](#)

Tennessee Housing Development Agency

THDA was established by the Tennessee legislature through enactment of Tennessee Code Annotated... Under the direction of a 15-member Board of Directors, the mission of THDA is...

GreatChoiceTN.com

Find a Class

Tennessee Housing Deve... x

greatchoicetn.com

Reports Approved Lenders WebEx Lender Site THDA Portal THDA.com OA Guide Constant Contact

Homebuyers

THDA created Great Choice Home Loans to make homeownership possible for more Tennesseans of middle/moderate income.

Down Payment Assistance

If you qualify for a Great Choice Home Loan, you also have the option of financial assistance with your down payment and/or closing costs.

Great Choice Home Loans

A 30-year, fixed interest rate home loan created by THDA to make homeownership more affordable to qualified Tennesseans.

Homebuyer Education

THDA encourages all homebuyers to complete a homebuyer education course and requires these courses for our down payment assistance and

- CITY OF MEMPHIS
- DIVISION OF HOUSING
AND COMMUNITY
DEVELOPMENT
- MAYOR JIM STRICKLAND
 - DIRECTOR PAULA.
YOUNG

DOWN PAYMENT ASSISTANCE DPA

PROGRAMS AVAILABLE

Citywide DPA

- CWDPA
- Memphis Housing Authority (MHA)
- SHAPE (Housing Choice Voucher Program – Section 8)
- TADPA (Targeted Area DPA- HOPEVI Homeownership)

Homebuyer Incentive Program

- Citizen (HIPC)
- Police (HIPP)
- Fire (HIPF)
- Teacher (HIPT)

CITYWIDE DPA

Federally funded

Must be first-time homebuyer

Household income may not exceed 80% AMI

Property must be located within Memphis city limits (or within specific boundaries for TADPA)

May receive up to 10% of sales price, max \$10K) to be used for down payment and closing costs

No monthly payment required

Must own and occupy the property for five (5) years

Repay at a reduced amount if five year term is not met

Property must pass inspection

CITYWIDE DPA – MHA –SHAPE - TADPA

MHA

Must be current MHA resident or displaced within last 12 months

Must provide verification of MHA residency

SHAPE

Must hold Housing Choice Voucher (HCV) from MHA

Must complete SHAPE Program through MHA

TADPA

Applies to new construction of single family homes through the MHA HOPE VI Program

McKinley Park is the only active development

HOMEBUYER INCENTIVE PROGRAMS DPA

(HIP PROGRAMS)

Do not have to be first-time homebuyer

Income limits determined by program

Property must be located within Memphis city limits (or specific designated areas for HIP Citizen)

Must occupy the property for five (5) years

May receive up to 10% of sales price, max \$10K, to be used for down payment and closing costs

No monthly payment required

Repay at a reduced amount if five year term is not met

City funded

Police, Fire and Teacher must maintain employment during five (5) year term

HIP PROGRAMS

DPA -

HIPP
HIPF
HIPT
HIPC

HIP Police

- Must be City of Memphis Commissioned Police Officer for minimum of one (1) year
- No household income limit

HIP Fire

- Must be City of Memphis frontline Firefighter for minimum of one (1) year (includes EMT and paramedic)
- No household income limit

HIP Teacher

- Must be Shelby County Schools full-time classroom teacher, certified grades K-12 for minimum of two (2) years
- No household income limit

HIP Citizen

- Income must be over 80% but not exceeding 200% AMI
- Must purchase property in one of 15 designated areas

Homebuyer Incentive Program Citizens Only

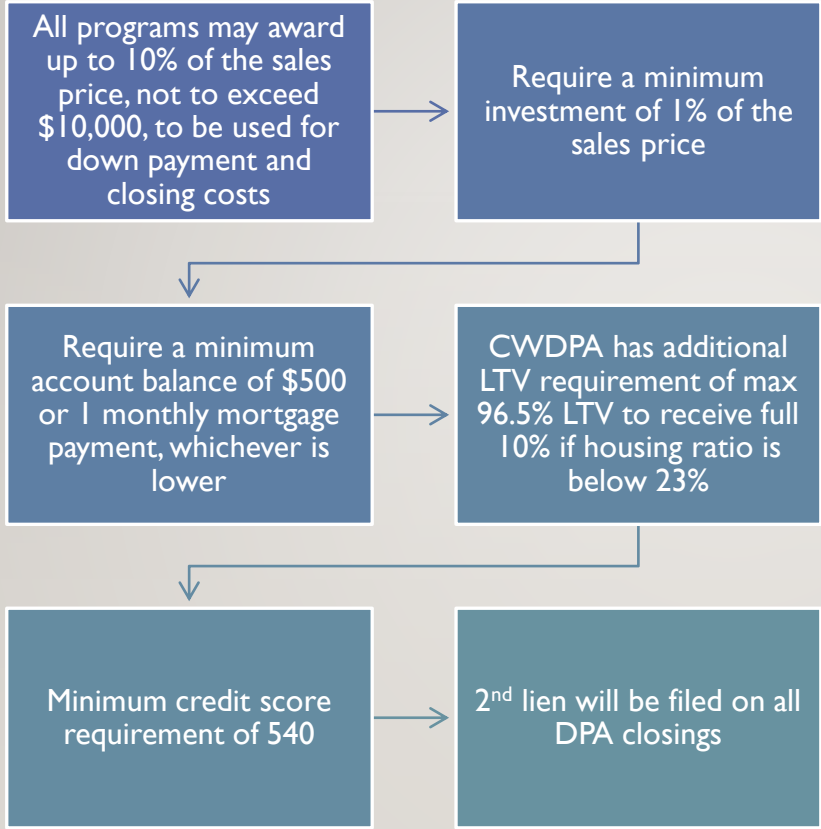
Designated Areas and Zip Codes

***Beltline** ***Binghampton/Highland Heights**
***Carnes Neighborhood** ***Hickory Hill**

38106 38107 38108 38109 38114 38116
38118 38122 38126 38127 38128

****Property must be within DPA Boundary. Please see map or verify with DPA Department before submitting file. Link below can be used to identify eligible properties.***

<https://www.google.com/maps/d/viewer?mid=1RVS1eF6r8CngjW8hh7nBu0PDU222HzbN&ll=35.03841065006404%2C89.82002125&z=15>



ADDITIONAL REQUIREMENTS

DOWN PAYMENT ASSISTANCE RESOURCES

- DPA Department – 901.636.7474 email: dpa@Memphistn.gov
- 170 N Main Street 4th Floor Memphis, TN 38103
- Juanita Hamilton 901.636.7473 juanita.Hamilton@Memphistn.gov
- Jennifer Hart 901.636.7368 jennifer.hart@Memphistn.gov
- Gloria Washington 901.636.7441 gloria.Washington@Memphistn.gov
- HIP Citizen eligible property verification:
<https://www.google.com/maps/d/viewer?mid=1RVSl eF6r8CngjVW8hh7nBu0PDU222HzbN&ll=35.03841065006404%2C-89.82002125&z=15>



Down Payment Assistance Program

United Housing, Inc.



Programs Available

- Hope Plus Program
- Helping Homebuyers Program



Hope Plus

- Funded by NeighborWorks Capital
- \$5,000 for closing costs
- Term: 10 years
- Flexible Rate (5%)
- 80% AMI or Below; or 200% AMI in LMI CT
- 1-4 unit Single-Family
- \$275,000 max sales price
- UHI owns and services the loans



Helping Homebuyers

- Funded by Private capital
- Available with participating lenders
- Up to \$10,000
- No Term; Due on Sale
- 0% rate, no payment
- Single-Family, 1-4 unit
- Up to 120% AMI in targeted LMI/MM CT



Eligible Homebuyer

- Current residence must be sold prior to closing on new primary residence (if applicable)
- attend an 8-hour homebuyer education course approved by a HUD-counseling agency;
- purchase a home within the City of Memphis limits or Shelby County;
- **obtain an approved fixed first mortgage loan from a HHP approved lender;**



Eligible First Mortgages

- The first mortgage shall be a THDA, FHA 203(b), FHA 203(k), VA, RD or CONVENTIONAL 30-year fixed rate mortgage at an interest rate no more than 2% above THDA Great Choice program.
- Layering allowed – not to exceed 105% CLTV



Become a Participating Lender in HHP

- CRA Investor and Lender Credit
- Contact for application or to learn more

Amy Schaftlein

aschaftlein@uhinc.org

901-728-6921



Impact:



- Last year, 520+ new homeowners
- \$3.2 million in DPA deployed
- Leveraged \$47 million in first mortgages





Contact:

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Priscilla Reed, Homebuyer Education Director

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901-728-6930

