

**RULES  
OF THE  
TENNESSEE HOUSING DEVELOPMENT AGENCY**

**CHAPTER 0770-1-3  
NEW HOMES REGULATIONS**

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**0770-1-3-.02 GENERAL.** Builders may reserve funds with the Agency for use by eligible mortgagors who purchase new homes built by the builder. To reserve funds, a builder must be determined to be qualified by the Agency and must enter in a Reservation of Funds Agreement with the Agency.

*Authority:* T.C.A. §13-2315 (18). Original rule filed August 15, 1979, effective September 28, 1979.

**0770-1-3-.02 CLASSIFICATIONS.** Builders may be qualified by the Agency in any of the following Classifications:

Class I  
Class II  
Class III

To receive a classification by the Agency, a builder must be licensed general contractor in the State of Tennessee and must submit an application to the Agency with evidence that he meets the requirements of the regulations

*Authority:* T.C.A. §13-2315 (18). Original rule filed August 15, 1979, effective September 28, 1979.

**0770-1-3-.03 CLASS I BUILDERS.** To be qualified as a Class I Builder by the Agency, a builder must:

- (1) Have a HUD rating of 100, current within two (2) years, or have met the performance goal standards under the most recent Reservation of Funds Program for builders.
- (2) Have a previously reserved funds with the Agency
- (3) Have previous FHA/VA building.
- (4) Have a net worth of at least \$200,000 supported by a current financial statement. This statement is subject to verification by the Agency which require an audit.
- (5) Submit a current letter from a financial institution or institutions indicating construction funds will be made available to the Builder.
- (6) Have been engaged in the shelter construction industry in the State of Tennessee as his primary business for the previous two (2) years.

*Authority:* T.C.A. §13-2315 (18). Original rule filed August 15, 1979, effective September 28, 1979. Amendment filed December 7, 1980; effective February 11, 1981

**0770-01-03-.04 CLASS II BUILDERS.** To be qualified as a Class II Builder by the Agency, a builder must:

- (1) Have a HUD rating of 100, current within two (2) years, or have met the performance goals under the most recent Reservation of Funds Programs for builders.

(Rule 0770-1-3-.04, continued)

- (2) Have previous FHA/VA building
- (3) Have a net worth of at least \$100,000 supported by a current financial statement. This statement is subject to verification by the Agency which may require an audit.
- (4) Submit a current letter from a financial institution or institutions indicating construction funds will be made available to the Builder.

*Authority:* T.C.A. §13-2315 (18). Original rule filed August 15, 1979, effective September 28, 1979. Amendment filed December 7, 1980; effective February 11, 1981

**0770-1-3-.05 CLASS III BUILDERS.** To be qualified as a Class III Builder by the Agency, a builder must:

- (1) Have a net worth of at least \$50,000 supported by a current financial statement. This statement is subject to verification by the Agency which may require an audit.
- (2) Subject a current letter from a financial institution or institution indicating construction funds will be made available to the Builder.

*Authority:* T.C.A. §13-2315 (18). Original rule filed August 15, 1979, effective September 28, 1979. Amendment filed December 7, 1980; effective February 11, 1981

**0770-1-3-.06 QUALIFICATION.** The Agency may require that a builder demonstrate that he meets the qualifications for a respective classification each time a builder seeks to enter a Reservation of Funds Agreement.

*Authority:* T.C.A. §13-2315 (18). Original rule filed August 15, 1979, effective September 28, 1979