

**RULES
OF
TENNESSEE HOUSING DEVELOPMENT AGENCY**

**CHAPTER 0770—4—1
REVOLVING LOAN PROGRAM**

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0770—4—1—.01 DEFINITIONS.

- (1) “Substantial Rehabilitation” means that improvements shall be made to residential real property exceeding thirty-five percent (35%) of the proposed market value of the structure after rehabilitation.
- (2) “Low income and moderate income persons” means qualified persons or families who lack the amount of income which is necessary, as determined by THDA to enable them, without low interest financial assistance, to live in decent, safe and sanitary dwellings without overcrowding.
- (3) “Loan fund pool” means appropriations by the state and any appropriations, reserves or dedications of any funds by any county which desires to participate in the Homebuyers Revolving Loan Pool.
- (4) “State portion” means funds appropriated by the state to fund the state portion of the loan fund pool.
- (5) “Local portion” means funds appropriated, reserved or dedicated by any county to fund its respective local portion of the loan fund pool.
- (6) “Qualifying matching share” means funds from any source, other than funds appropriated, reserved or dedicated by the state or any county to specifically fund the state or any local portion, which are used to fund the amount of loan not funded by the loan fund pool.
- (7) “Act” means the legislation creating the Homebuyers Revolving Loan Fund Pool pursuant to Public Chapter 510, Acts of 1986.
- (8) “Agency” means the Tennessee Housing Development Agency.
- (9) “Agency Board” means the members of the Board of Directors in whom the powers of the Agency are vested.
- (10) “Housing Unit” means residential housing intended for occupancy by a single household and which will be owned by the occupant thereof.
- (11) “Household” means one or more individuals regardless of blood or legal ties who live as, and are considered, a family unit.
- (12) “Gross Annual Income” means the total income, before taxes and other deductions, received during the twelve months immediately preceding the month in which the application is taken. This includes all wages, social security payments, retirement benefits, military and veteran’s disability payments, unemployment benefits, welfare benefits, interest derived from any sources. It does not include educational benefits received from the Veteran’s Administration or child support payments, unless the child support payments can be verified.

(Rule 0770—4—1—.01, continued)

- (13) “Dependent” means that person or those persons who are eligible to be claimed as an exemption or exemptions on the applicant’s federal income tax return as determined under the federal income tax regulations, if such return were to be filed on the date of the mortgage application.
- (14) “Persons and Families of low and moderate income” means for purposes of the Homebuyers Revolving Loan Fund pool households whose gross annual household income does not exceed the maximum income hereinafter set forth.
- (15) “Adjusted Income” means the adjusted gross annual income as defined by Federal Income Tax Regulations and shown on the appropriate line of the Federal Income Tax Return.

Authority: Public Acts of 1986, Chapter 510. *Administrative History:* Original rule filed June 25, 1986; effective July 25, 1986.

0770—4—1—.02 RULES OF PRACTICE. Instructions, rules of practice and guidelines for the receipt and processing of applications for mortgage loans, the issuance of mortgage commitments and the undertaking of mortgage loan closings, and the taking of other internal actions as may be necessary or desirable for the implementation and administration of all aspects of the program may be established and modified from time to time by the Agency, at all times consistent with the Act and the Agency by-laws.

Authority: Public Acts of 1986, Chapter 510. *Administrative History:* Original rule filed June 25, 1986; effective July 25, 1986.

0770—4—1—.03 FORMS.

- (1) Forms to be employed for the making and processing of applications for mortgage loans and for the administration of all matters related thereto may be prepared, revised and amended from time to time by the Agency, and may specify the information to be included therein and the supporting materials to be submitted therewith. Nothing in this rule would prevent a local government which is administering its own program preparing its own forms provided that they do not conflict with the requirements of these rules.
- (2) The Agency reserves the right to pursue all remedies prescribed by law, including without limitation the failure to act or fulfill any terms and conditions of commitments, deeds of trust, origination and servicing agreements and requirements for participation and for breach of any other documents referred to in these rules.

Authority: Public Acts of 1986, Chapter 510. *Administrative History:* Original rule filed June 25, 1986; effective July 25, 1986.

0770—4—1—.04 FEDERALLY ASSISTED MORTGAGE LOANS. In the event that a loan is insured or otherwise assisted by any federal agency, the federal agency’s program rules shall apply to the extent that they do not conflict with the rules contained herein.

Authority: Public Acts of 1986, Chapter 510. *Administrative History:* Original rule filed June 25, 1986; effective July 25, 1986.

0770—4—1—.05 COMPLIANCE WITH REQUIREMENTS OF BOND RESOLUTIONS. Notwithstanding any other provisions of these rules to the contrary, any mortgages funded in whole or in part by the proceeds of any issue in whole or in part of the sale of bonds or notes of the Agency shall comply with the requirements incident to the sale of such bonds or notes.

(Rule 0770—4—1—.05, continued)

Authority: Public Acts of 1986, Chapter 510. **Administrative History:** Original rule filed June 25, 1986; effective July 25, 1986.

0770—4—1—.06 WAIVER.

- (1) The Agency Board by resolution may waive or vary particular provisions of these rules and regulations.
 - (a) to conform to the requirements of the Federal government in connection with any housing unit with respect to which Federal assistance is sought, or
 - (b) due to exceptional circumstances if, in the determination of the Agency Board, the application thereof to a specific case or under an emergency situation may result in undue hardship.

Authority: Public Acts of 1986, Chapter 510. **Administrative History:** Original rule filed June 25, 1986; effective July 25, 1986.

0770—4—1—.07. The rules and regulations may be amended and supplemented by the Agency at such times and in such manners as it may determine, to the extent not inconsistent with the Act or with other applicable provisions of law.

Authority: Public Acts of 1986, Chapter 510. **Administrative History:** Original rule filed June 25, 1986; effective July 25, 1986.

0770—4—1—.08 SEVERABILITY. If any clause, sentence, paragraph, section or part of these rules and regulations shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Authority: Public Acts of 1986, Chapter 510. **Administrative History:** Original rule filed June 25, 1986; effective July 25, 1986.

0770—4—1—.09 SCOPE AND INTENT. These rules shall constitute general rules relative to the Homeowners Revolving Loan Fund Pool. The local administrator can have additional requirements provided that such requirements are approved by THDA.

Authority: Public Acts of 1986, Chapter 510. **Administrative History:** Original rule filed June 25, 1986; effective July 25, 1986.

0770—4—1—.10 CONFLICTING PROVISIONS. In instances where agency bond proceeds are used, if these rules conflict with the rules governing THDA's single family program under the bonds, the rules under the bonds shall control.

Authority: Public Acts of 1986, Chapter 510. **Administrative History:** Original rule filed June 25, 1986; effective July 25, 1986.