



## Entry Form 2017 Annual Awards for Program Excellence

**Entry Deadline: Thursday, June 15, 2017, Midnight ET**

Each entry must include a completed entry form. Please complete a form for each entry your HFA is submitting. The completed entry form will become the first page of your entry.

This form is a fillable PDF. Type your information into the entry form and save it as a PDF. Please do not write on or scan the entry form. **Questions: Call 202-624-7710 or email [awards@ncsha.org](mailto:awards@ncsha.org).**

**Entry Title:** Enter your entry's title exactly as you wish it to be published on the NCSHA website and in the awards program.

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**Category:**

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**Subcategory:**

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**Entry Summary:** A 15-word (max) summary of the program, project, or practice you are entering.

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**HFA:**

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**HFA Staff Contact:**

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**Phone:**

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**Email:**

### Visual Aids:

Are you mailing to NCSHA 10 copies of any visual aids that cannot be included in your entry PDF?      Yes      No

### Payment:

My HFA is mailing a check to NCSHA.  
My HFA is emailing the credit card authorization form to [awards@ncsha.org](mailto:awards@ncsha.org).

## **Working Smarter for Greatest Impact**

Money never comes at the wrong time, but leveraging its impact can take extra effort.

Tennessee Housing Development Agency wanted to make the most effective use of the Treasury funds for the financial stability of homebuyers and communities. We were successful in persuading the U.S. Treasury to pinpoint the assistance to the ZIP Code level, reaching right to neighborhoods still struggling from the Great Recession.

We proposed to create a new Hardest Hit Fund Down Payment Assistance Program (HHF-DPA) to stabilize communities and housing markets that had not rebounded. The goal being an infusion of new homeowners to bring new life to struggling areas as they put time, money and pride into their homes, becoming involved in the community and improving property values for all the neighbors.

Housing affordability is a challenge in Tennessee. Rents have increased dramatically while incomes have not kept pace. For these reasons, THDA believed that an enhanced down payment assistance program would help move households from renting to ownership and restore strained communities. By providing incentives to qualified homebuyers in housing markets that have been hit hardest by serious delinquency, negative equity, distressed sales, and foreclosures, THDA would help strengthen the most distressed areas by encouraging new owners, stabilizing housing prices and preventing future foreclosures. Protecting the investment through required homebuyer counseling for all participants is good business.

Treasury officials recommended swift approval was anticipated if our program was patterned after previously approved designs. We selected counties as designated areas by accessing private vendor CoreLogic and Home Mortgage Disclosure Act (HMDA) data. THDA selected areas with the average delinquency rate that: (i) exceeded the average delinquency rate of the grand divisions (East, West and Middle TN) by ZIP Code; (ii) ZIP Codes that met the 4 out of 5 distressed indicators (delinquency rate, foreclosure rate, short sales, REO sales and negative equity share); (iii) 5 out of 5 distressed indicators; and (iv) the top 20% of the counties that had THDA-eligible loans using 2014 HMDA data. This sort brought forward 15 of Tennessee's 95 counties: Shelby, Madison, Montgomery, Dickson, Robertson, Sumner, Davidson, Rutherford, Maury, Hamilton, Bradley, Anderson, Knox, Sevier and Sullivan. Treasury approved three of the 15. Both efficiencies of scale and advocacy for Tennessee's struggling citizens demanded re-evaluation of our approach.

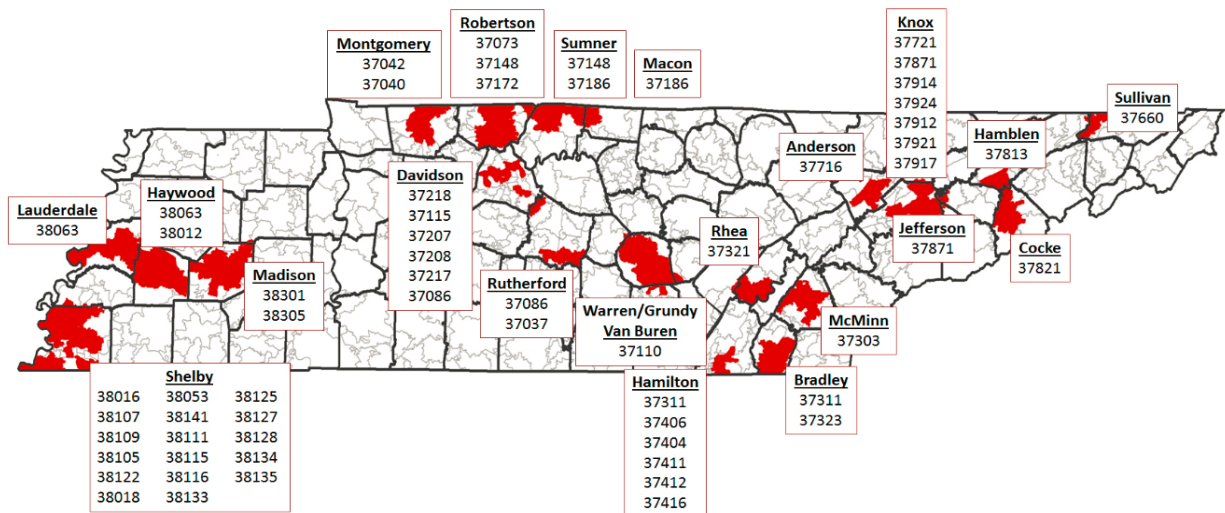
THDA returned to its initial intention of reaching the highest number of distressed communities and decided to sharpen the demographic research focus to the ZIP Code level. Of the 68 ZIP Codes proposed by THDA for the HHF-DPA Targeted Areas, U.S. Treasury approved 55 based on thresholds for market shares, total volume of loans, and populations. Through this approach THDA has the ability to ensure all HHF funds are invested in strained

**Tennessee Housing Development Agency**  
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**Homeownership – Empowering New Buyers**

communities that require a boost in production to invigorate market conditions while providing neighbors, and local officials a tangible view of success through concentrated impact.

THDA's HHF-DPA Program will help these distressed areas address affordability, stimulate home purchase activity and strengthen demand in at-risk areas, and stabilize home prices in neighborhoods that were at-risk of foreclosure.

Through the HHF-DPA, THDA-approved borrowers obtain financial assistance for down payment and / or closing costs when purchasing an existing home in a designated area using THDA's Great Choice Plus Mortgage. The HHF-DPA is financed in form of a second mortgage loan with a zero percent interest rate and a 10-year deferred payment. The loan is forgiven 20% per year in years 6 through 10. To help prevent foreclosures, THDA requires all HHF-DPA borrowers to complete a pre-purchase and post-purchase counseling course.



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In the first three months of production THDA committed 500 HHF-DPA loans to homeowners who met THDA's first mortgage loan criteria. That is \$7.5 million dollars of HHF dollars put to work in distressed neighborhoods across the state within three months. Of the 55 ZIP Codes approved for the HHF-DPA Program, 96% of the ZIP Codes have received production and we anticipate seeing those numbers grow.

THDA HHF-DPA Loan Production  
March through May 2017

