



first community mortgage

# WHOLESALE ANNOUNCEMENT 2021-24

September 10, 2021

## THDA Implementation of IRS Rev. Ruling 86-124

### **Effective Date:**

THDA Loan Submissions on or after September 13, 2021

### **Summary**

THDA Lender Notice: **2021-16**

THDA is implementing IRS Rev. Ruling 86-124 for income calculation for all Great Choice Mortgage Loans. Per THDA Notice 2021-16, the ruling states the income to be taken into account in determining the gross monthly income, is the income of the mortgagor (or mortgagors) and any other person who is expected both to live in the residence being financed and to be secondarily liable on the mortgage.

In addition, THDA is instituting the following program enhancements:

- Income limits will be referred to as MRB Income Limits instead of Household Income Limits.
- Overtime/bonus will be determined based upon history of receiving and reasonable expectation for the income to continue.
- Application and Seller Affidavits are changing to Application and Seller Declarations. These new forms no longer require a notary signature.
- Child Support will be considered in the MRB income limit if it is anticipated income for the next 12 months based upon recent history of receipt.
- Fiancé(e) income will be considered only if they are on the mortgage note.
- Tax liens must be paid in full, however, Federal tax debt with established payment plans that meets insurer guidelines are acceptable.
- Only recurring deposits or large deposits as outlined by the insurer or AUS must be documented.
- As previously mentioned, THDA will also be changing DPA structure as of rate locks submitted on September 13, 2021; additional information regarding this change can be located in lender notice #2021-15.
- THDA will no longer require a non-purchasing spouse to sign the Deed of Trust.

***For more detailed information, please review***

***THDA Lender Notice 2021-16***

**Should you have any questions, please reach out to your  
Account Executive or Client Coordinator.**