



Keep My Tennessee Home

[Home](#)
[FAQs](#)
[Contact Us](#)
[Targeted Counties](#)
[Homeowner Login](#)
[Counselor Login](#)

Frequently Asked Questions

[What is Keep My Tennessee Home: Tennessee's Hardest-Hit Fund? - Who is eligible for Keep My Tennessee Home?](#)
[How did THDA develop the Keep My Tennessee Home program? - How will homeowners apply for Keep My Tennessee Home?](#)
[How much assistance is available? - Will the homeowner have to pay back Keep My Tennessee Home assistance?](#)
[What assistance is available to homeowners who don't qualify for Keep My Tennessee Home](#)

NOTICE: If anyone seeks to charge you a fee to help you with applying for assistance from this program please report this immediately to your local counseling provider and/or the Tennessee Housing Development Agency.

What is Keep My Tennessee Home: Tennessee's Hardest Hit Fund?

The Fund for the Hardest Hit Housing Markets gave 18 states and the District of Columbia, including Tennessee via the Tennessee Housing Development Agency (THDA), the opportunity to develop and implement programs to help families stay in their homes and to prevent avoidable foreclosures. Keep My Tennessee Home must satisfy funding requirements under the Emergency Economic Stabilization Act of 2008 (EESA).

Who is eligible for Keep My Tennessee Home?

Keep My Tennessee Home eligibility requirements target homeowners with the greatest need. To meet the basic eligibility requirements of this program, a homeowner must:

- Own and occupy primary residence in Tennessee. Since Jan. 1, 2008, have experienced a job loss and/or a 30% reduction in household income through no fault of their own
- Prior to job loss/income reduction, mortgage payments have been current or no more than two times 30 days delinquent
- Have mortgage loan balance on residence less than or equal to \$226,100
- Have current gross household income less than or equal to \$74,980
- Have liquid assets no more than six months of mortgage principle, interest, taxes and insurance

How did THDA develop the Keep My Tennessee Home program?

THDA administers the National Foreclosure Mitigation Counseling (NFMC) program which provides foreclosure counseling and budgeting assistance to homeowners at risk of losing their homes. Since 2008, more than 7,600 Tennessee homeowners have received services under this program. In order to administer this program, THDA has developed a strong network of partners to assist homeowners in need. Collectively, THDA has over 60 NeighborWorks® certified counselors in a statewide network of 18 counseling agencies.

In partnership with housing counseling agencies and others, THDA has designed a program using the Hardest Hit Fund. This initiative will help struggling Tennessee homeowners avoid foreclosure when possible, and may help stabilize neighborhoods impacted by large numbers of foreclosures.

THDA has used the following guiding principles in developing its program:

- Foreclosure Prevention – The primary intent is to preserve homeownership and prevent a foreclosure.
- Inclusion – THDA wants to include as many homeowners as possible in defining program eligibility assistance.
- Simplicity – The program should be easy to explain to homeowners, easy for homeowners to apply for, and easy to administer and monitor.
- Timeliness – The program began assisting homeowners quickly.
- Scale/Impact – The program should have a measurable impact on the foreclosure crisis, particularly hardest hit/targeted counties, in Tennessee.
- Concentration on "Hardest Hit" – Workers suffering job loss will be the primary beneficiaries of our program.

THDA received input from THDA's lending partners and counselors in THDA's network of foreclosure counselors through various phone calls and a joint conference call. These efforts produced insightful questions and valuable suggestions that have been considered/incorporated into the overall THDA strategy and program development. In addition, THDA's internal leadership team and Board of Directors (which represents a variety of housing organizations statewide) played a key role in developing the proposed program. As a result, the THDA proposal draws on the considerable knowledge and experience of THDA staff and of representatives of housing organizations across the state.

How will homeowners apply for Keep My Tennessee Home?

To begin the application process, homeowners may [register online](#) and be referred to one of the THDA approved foreclosure prevention counseling agencies. A Keep My Tennessee Home-trained housing counselor will work with each homeowner to screen for eligibility and develop an individualized Keep My Tennessee Home Action Plan to address the homeowner's particular needs. THDA will review and approve eligibility applications and will authorize payments to the homeowner's mortgage servicer.

How much assistance is available?

The following types of assistance will be available:

- Standard benefit counties: \$15,000 up to 12 months
- Targeted benefit counties: \$20,000 up to 18 months

An Action Plan will determine the actual amount of assistance paid to a mortgage servicer on behalf of each homeowner. No funds are paid directly to homeowners. Should a homeowner become reemployed within the applicable period, the homeowner may continue receiving assistance for up to an additional two months after reemployment. Additionally, if a homeowner becomes reemployed within the applicable period and the homeowner's mortgage payment exceeds 31% of their current income, they are eligible for continued assistance.

Will the homeowner have to pay back Keep My Tennessee Home assistance?

This is a 0% interest, non-recourse, deferred-payment, forgivable, subordinate loan. A forgiveness clause will reduce the loan amount by 20% a year for every year the borrower stays in the home up until five years. At the end of five years the note will be considered satisfied and THDA will release the lien securing the note.

Loan funds are due and payable if the property is sold, refinanced or no longer owner occupied and there are sufficient equity proceeds available (unless otherwise prohibited under applicable federal law).

All deferred, subordinate mortgages will be evidenced by a Home Equity Line of Credit promissory note and secured by a deed of trust on the property. Borrowers will be required to sign and acknowledge via written agreement indicating the program guidelines.

What assistance is available to homeowners who don't qualify for Keep My Tennessee Home?

If you are not eligible for the program you may contact a counselor for free foreclosure prevention counseling at www.thda.org/foreclosure/counselors.pdf.

For additional information, please visit our website, www.thda.org.



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