



# Programs Information

Edward G. Rendell, Governor  
Brian A. Hudson, Sr., Executive Director

The Pennsylvania Housing Finance Agency takes great pride in providing the critical funds that help make the Commonwealth a better place to call home. This brochure offers a brief summary of the wide array of programs that are available to enhance the quality and supply of good homes and apartments. Additional information is also found in other Agency publications and on the PHFA Web site.



Thank you for your interest in Pennsylvania Housing.

**Brian A. Hudson, Sr.**  
*PHFA Executive Director  
& Chief Executive Officer*



## *Our Mission*

In order to make the Commonwealth a better place to live while fostering community and economic development, the Pennsylvania Housing Finance Agency provides the capital for decent, safe, and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs.



211 North Front Street  
Harrisburg, PA 17101  
717.780.3800 or 1.800.822.1174  
TTY 717.780.1869  
[www.phfa.org](http://www.phfa.org)

## PROGRAMS of the Pennsylvania Housing Finance Agency

The Pennsylvania Housing Finance Agency was created in 1972 to help enhance the availability of high quality, affordable homes and apartments for Commonwealth citizens. It does this by providing mortgage capital to homebuyers and to sponsors of rental housing for older adults, persons with disabilities, or families with modest incomes.

PHFA operates programs in three broad categories: multifamily rental housing development; single family homeownership; and, foreclosure prevention through the Homeowners' Emergency Mortgage Assistance Program.

Funding for these initiatives comes from a number of sources, including the sale of the Agency's securities to private investors throughout the nation, program fees, and tax credits. PHFA's expenses are paid for by fee and investment income. A substantial part of its investment earnings is used to subsidize the housing programs.

The Agency has provided more than seven billion dollars for over 149,000 single family home mortgage loans, \$2 billion of financing and \$300 million of tax credits for the creation of 68,000 rental units, and \$410 million of Homeowners' Emergency Mortgage Assistance loans to save 39,000 homes from foreclosure.

# About the Programs

## **MULTIFAMILY RENTAL HOUSING**

Affordable rental housing programs offer development sponsors financing from a wide variety of sources: PHFA general fund set-asides; the sale of Agency-issued securities; federal HOME dollars; and, the allocation of housing tax credits. Restrictions and application deadlines vary among programs.

### *PennHOMES Program*

Offers interest-free deferred payment loans to support development of affordable rental housing for residents who meet income guidelines. Can be structured as primary or secondary mortgage loans. Eligible sponsors include individuals, joint ventures, partnerships, limited partnerships, trusts and corporations, and may be for-profit or nonprofit entities. Funding is limited and applicants are encouraged to make maximum use of other public and private financial resources.

### *Taxable and Tax-Exempt Bond Financing*

Provides sponsors of affordable housing with below-market rate permanent financing for building or rehabilitating rental units through the sale of PHFA bonds. Mortgages must be secured by a first-lien position, and may be coupled with PennHOMES funds and housing tax credits.

## *Construction Loan Program*

Makes below-market rate construction loans available to sponsors of rental housing developments who have permanent take-out financing from other lenders. At least 20 percent of the facility's residents must have incomes that do not exceed 80 percent of the area's median income.

## *Housing Tax Credit Program*

Provides owners of and investors in affordable rental housing developments with federal tax credits that offer a dollar-for-dollar reduction in their tax liability. The credit may be taken for up to ten years. Tax credits are usually sold to investors with the proceeds used to cover development costs.

## *Equity Bridge Loan Program*

Covers short-term funding needs of multifamily rental properties with deferred equity pay-ins from tax credit investors. This program is available for new applications for PHFA financing or for developments which have already received Agency "feasibility" approval. Applications are considered on a first-come, first-served basis.



## *Housing Services*

PHFA encourages developers and property management companies to integrate social services into the ongoing operation and management of affordable housing. Elderly housing with services enhances residents' ability to live independently, while services at family developments address issues related to lease obligations, self-sufficiency, and youth programs. Supportive housing provides a comprehensive support system to individuals who are at risk of homelessness or have intensive service needs.

## **HOMEOWNERSHIP PROGRAMS**

PHFA offers a number of opportunities for individuals and families to buy homes of their own in Pennsylvania. Qualification factors vary among programs and, in some cases, from county to county. For eligibility details, please see the respective program brochures or visit [www.phfa.org](http://www.phfa.org).

### *Keystone Home Loan Program*

Provides residential mortgage loans to qualifying homebuyers who meet certain income and purchase price guidelines. Features below-market interest rates and origination fees. Loans are made through participating lending institutions across the Commonwealth and can



be used to purchase both new or existing homes. Available in conjunction with conventional, FHA, VA, and RHS loan types.

### *Keystone Home Loan PLUS Program*

Families with children or persons with disabilities who are buying their first home are offered an even lower interest rate with no origination fee. The income and purchase price limits are lower than those of the Keystone Home Loan Program. Available with conventional, FHA, VA, and RHS loan types.



### *Keystone PLUS Assistance Loan*

Homebuyers using the Keystone Home Loan PLUS Program also may qualify for a deferred payment non-interest bearing loan of up to \$2,000 to help with closing cost and for a downpayment. Repayment is required only upon payoff of the first mortgage, sale, refinance, transfer, or non-owner occupancy of the property.

### *Keystone HOMEstead Downpayment and Closing Cost Assistance Loan Program*

Made in conjunction with PHFA first mortgages, HOMEstead loans provide non-interest bearing second mortgages for downpay-

ments and closing costs. Loans range from \$1,000 to \$35,000. HOMEstead funds in an amount up to \$14,999 are forgiven at a rate of 20 percent per year over five years. Funds between \$15,000 and \$35,000 are forgiven at a rate of ten percent per year over ten years. HOMEstead loans are not available in all areas of the Commonwealth and are limited to borrowers with incomes at or below 80 percent of the area median income. Also, the property must meet federal housing quality standards.

### *Keystone Access Home Modification Program*

Offers persons with disabilities, or households with a disabled family member, no-interest accessibility modification loans of between \$1,000 and \$10,000 in conjunction with PHFA first mortgage financing. Repayment is not required as long as the borrower occupies the home.

### *Keystone Access Downpayment and Closing Cost Assistance Loan Program*

Mortgage loans are provided in conjunction with the Keystone Access Home Modification Program for persons with disabilities, or households with a disabled family member, who are not eligible for the HOMEstead program and need downpayment and closing cost



assistance. This program provides deferred payment loans up to \$15,000 without interest. Loans become due and payable upon the sale, transfer, refinance, payoff of the first mortgage, or non-owner occupancy of the property.

### *Keystone Purchase-Improvement Program*

Allows borrowers to make up to \$15,000 in home improvements in conjunction with the purchase of a home with an Agency first mortgage loan. This can include repairs, alterations, or modifications to improve the basic livability, energy efficiency, or safety of the property.



The *As-Complete Appraised Value* must support the cost of the repairs.

### *PENNVEST On-Lot Sewage System Loans*

Provide up to \$25,000 for 20-year, very low interest rate loans to homeowners for the repair or upgrade of malfunctioning on-lot sewage systems. These loans are insured under the FHA Title I Home Improvement Loan Program.

## FORECLOSURE PREVENTION

The Homeowners' Emergency Mortgage Assistance Program provides short-term, temporary funding to cure mortgage delinquencies. Mortgage payments are made to lenders on behalf of qualifying homeowners for up to 24 months. Recipients must meet eligibility guidelines defined in state law (Act 91). To secure the mortgage loan, HEMAP places a lien against the homeowner's property and repayment is required.

## Homeownership Choice Programs

PHFA's Homeownership Choice Programs encourage residential construction in urban areas and core communities of the Commonwealth by helping builders turn neglected neighborhoods into attractive places to live. These initiatives provide a variety of programs for greater housing options, including new construction and rehabilitation, neighborhood revitalization, and mixed-use development.

Requests for Proposals are issued to announce the availability of program funding.

## Other Information

This material provides only a brief description of the Agency's programs.

In addition, PHFA offers a number of training seminars, workshops, and education programs to help those interested in affordable housing. It also conducts studies, spon-

sors research, and produces reports about this worthwhile cause.

Information about home buying opportunities and accessible rental housing is available from the Agency's Web site, [www.phfa.org](http://www.phfa.org), and toll-free telephone number, 1.800.822.1174. The Agency produces brochures, newsletters, and information catalogues about its programs and services that are available free of charge. To order, contact 717.780.3915.



211 North Front Street  
Harrisburg, PA 17101  
717.780.3800  
TTY 717.780.1869

**Eastern Region Office**  
Stony Creek Office Center  
Building #3, Suite 300  
151 West Marshall Street  
Norristown, PA 19401  
610.270.1999

**Western Region Office**  
Building 200  
The Bourse  
2275 Swallow Hill Road  
Pittsburgh, PA 15220  
412.429.2842

**[www.phfa.org](http://www.phfa.org)**

*The Pennsylvania Housing Finance Agency is committed to the policy that all persons shall have equal access to its housing programs and employment without regard to age, disability, family status, gender, national origin, political affiliation, race, or religion.*



211 North Front Street  
Harrisburg, PA 17101  
[www.phfa.org](http://www.phfa.org)

PI-03/07