

**First-time homebuyer tax credit may have ended,
but homebuyers have numerous other resources available**

**by Brian A. Hudson Sr.
Executive Director and CEO
Pennsylvania Housing Finance Agency**

Given events of the last few years, it's understandable some people may be hesitant about making the jump into homeownership at this time. Since the federal government's first-time homebuyer tax credit program has ended, they may feel, too, they've missed their best opportunity for homeownership. But the reality is that, for many reasons, this remains the best time in decades to purchase that first home or make the move up to a newer or larger home.

Interest rates remain at historic lows. Consider, for instance, that, as of May 25, at the Pennsylvania Housing Finance Agency we offer a 30-year, fixed-rate mortgage of 4.5 percent for new home purchases and 4.95 percent for the purchase of an existing home. Additionally, we offer closing cost assistance, and buyers can put down as little as \$1,000. For buyers who meet our lending criteria, our mortgage offerings are very attractive.

Keep in mind, too, there is an excellent inventory of homes on the market, providing prospective buyers with plenty of selection. Plus the time available to make an offer is greater than it was just four years ago, so homebuyers don't have to rush their decision due to competition and can take more time to research their potential purchase.

In Pennsylvania, we're fortunate our real estate market never over-heated like it did in other states. So while home values never shot up, the flip side of that situation is that they never dipped much either. Homes have remained a stable investment in most of Pennsylvania.

Consider PHFA loan programs

The mission of the Pennsylvania Housing Finance Agency is to provide Pennsylvania families with safe, decent and affordable housing – making sure everyone has a shot at the American dream of homeownership. Our financing programs provide opportunities for low- and moderate-income families, young families just starting out, people with disabilities, and older Pennsylvanians to share in that dream.

PHFA is experiencing record mortgage volumes. That may run counter to what you read in the news. But there are clear reasons why our lending programs are so successful, even during the current slow housing market.

For years, PHFA has followed a disciplined, common sense lending strategy. We have always required full documentation from families requesting PHFA loans. We have stood by our guidelines, insisting that a person's ability to repay a loan must be a critical

factor in the lending decision. We only offer fixed-rate mortgages, so that our borrowers aren't surprised by increased or balloon payments a few years into their home purchase.

Our lending guidelines are disciplined, but we balance that with flexibility not available from traditional lenders. For instance, people with lower credit scores are not automatically locked out of our programs because we consider other factors that demonstrate their full credit worthiness.

Counseling for buyers, and more

A guiding principle at PHFA is our belief that homebuyers need access to the information necessary to make a wise, informed decision. Regardless of where buyers get their home loans, PHFA offers no-cost home-purchase counseling to help Pennsylvania families get that critical information. They can do so by calling 800-822-1174, and our staff will see that they're connected with a counseling agency. It's another service we offer to make the homebuying experience less intimidating and, ultimately, more successful.

Another useful consumer resource is the information and downloadable brochures available on our Web site at www.PHFA.org. Most of our homeownership brochures are available in Spanish. Just click on the blue header for "homebuyers" to access this archive of helpful materials.

June is National Homeownership Month, making it the perfect time to remind Pennsylvanians about the great resources available to help with their home purchase. Even better is the fact that interest rates and other factors have truly made this a buyer's market. Our staff at PHFA stands ready to help. Our programs and services are the keys that, for many, can unlock the door to that new or existing home purchase.