

## TOP STORIES

### PHFA home loan products at historically low interest rates

In mid-October, PHFA announced new interest rates for the agency's home loan products – offering the lowest rates in the agency's 38-year history. These highly attractive and competitive interest rates are important because they help the agency better achieve its mission of providing affordable housing for low- and moderate-income Pennsylvanians.

PHFA Executive Director and CEO Brian Hudson explained the Pennsylvania Housing Finance Agency raises the vast majority of its operating revenue from the sale of bonds through the financial markets, not from taxes. It was because of the agency's partnership with the U.S. Treasury, and its support of the municipal bond market, that PHFA is able to offer these historically low interest rates.

The following table shows the new interest rates for PHFA's 30-year, fixed-rate mortgage products in comparison to the previous rates. Descriptions of each of these PHFA loan products are available in the "Homeowner" section of the PHFA Web site at [www.phfa.org](http://www.phfa.org). Search the site using the keywords: homeownership loans.

Loan product	Current rate	Prior rate
New construction: Keystone Home Loan, Keystone Home Loan PLUS	3.25% with 0 pts*	4.5
Existing homes: Keystone Home Loan and Keystone Home Loan PLUS	3.75% with 0 pts*	4.75
K-Gov Loans - 0 pts	5.00%*	5.25
K-Gov Loans - 1 pt + \$300	4.75%*	5.0

\*Please contact a participating lender for annual percentage rates.

### PHFA awarded nearly \$106 million to help homeowners in danger of foreclosure

In early October, the federal Department of Housing and Urban Development announced funding of nearly \$106 million for Pennsylvania to be used assisting homeowners facing foreclosure. PHFA will oversee disbursement of this funding made available through the federal government's Emergency Homeowners Loan Program, which was part of the consumer protection legislation signed into law by President Obama in August. Congress has allocated \$1 billion nationally for this new program, which is modeled after PHFA's own Homeowners' Emergency Mortgage Assistance Program, or HEMAP. PHFA is working now with HUD to establish the guidelines for administering the program.

When it was started in 1984, HEMAP was a unique program expected to last three years and help Pennsylvania families through a recession occurring at that time. The success of the program, by helping

families stay in their homes and also achieving loan repayment, has led to its repeated renewal. Now in its 27<sup>th</sup> year, HEMAP has saved the homes of nearly 44,200 Pennsylvania families from foreclosure.

## HOMEOWNERSHIP COUNSELING & EDUCATION



### PHFA hosts housing counseling awards ceremony

PHFA celebrated the work of the state’s private sector housing counselors Oct. 25 at the Hilton in Harrisburg under the theme of “Giving Wings to the Vision.” These counseling agencies extend the work of PHFA by helping state residents with questions about homeownership and mortgage foreclosure, working to inform consumers to make smart housing decisions. Housing counselors from across the state attended, with more than 160 people on hand. The audience of counselors was saluted in brief remarks by state Banking Secretary and PHFA Board Chairman Steven Kaplan and PHFA Executive Director and CEO Brian Hudson.

The event included extensive recognition of the excellent work being done by housing counselors at a time when the housing marketplace is in a dynamic state of change. Twenty of the original housing counseling agencies were recognized with framed certificates applauding their 27 years of dedicated service to the agency’s Homeowners’ Emergency Mortgage Assistance Program, better known as HEMAP (picture, above right). During that time, these counseling agencies have helped more than 190,000 HEMAP applicants. Additionally, six Best Counselor awards were presented and six Best Agency awards. The top award for the Best Practice in the state, which considered such factors as training, skills and an agency’s overall efficiency, was given to Northwest Counseling Service of Philadelphia. Hudson was recognized, as well, with an award from the PHFA board of directors and the statewide network of counseling agencies, thanking him for his efforts to expand housing counseling services to benefit the state’s residents.

## NATIONAL COUNCIL OF STATE HOUSING AGENCIES

### PHFA executive elected VP, agency wins national recognition

During the National Council of State Housing Agencies’ annual conference in Boston in early October, PHFA was given significant national recognition – some unexpected but certainly welcomed. During the four-day conference, PHFA Executive Director and CEO Brian Hudson was elected to serve as the council’s vice president. Traditionally, the NCSHA vice president serves two one-year terms. Hudson served previously as the council’s secretary-treasurer.

During a conference plenary session, NCSHA presented its 2010 Annual Awards for Program Excellence. These awards recognize outstanding achievement by housing agencies in such areas as management innovation and rental housing, and to win one is a significant honor. Pennsylvania was cited with a Special Achievement Award for its efforts to train lawyers to help homeowners in difficult situations.

### *Special Impact Award presentation*

In a surprise development, NCSHA presented its Impact Award this year, and the recipient was PHFA's Hudson. This award has special status because it is granted infrequently and only then to acknowledge distinguished achievements. Hudson was honored with this award for sharing his expertise about homeowner mortgage assistance programs with housing finance agencies around the country. He was presented the award by NCSHA's Immediate Past President Susan Dewey of Virginia.



NCSHA is a national nonprofit, nonpartisan association that represents the affordable housing interests of housing finance agencies before the administration and Congress. Its members are the HFA's of the 50 states, the District of Columbia, New York City, Puerto Rico, and the U.S. Virgin Islands, and more than 300 of their affordable housing partners. PHFA regularly sends staff to this conference for professional development and networking opportunities that benefit the agency's programs.

### **HOMEOWNERSHIP PROGRAMS**

#### **Grants available for home modification pilot program**

PHFA is seeking organizations that operate successful home modification programs to engage and direct home modification construction officers in various areas of the state. The goal is to support efforts to help people remain in their own homes rather than moving them to institutional settings. This approach is being driven by the preferences of seniors and people with disabilities served by state programs – who would rather remain in their homes – as well as by the costs of serving such individuals in institutional settings that may not be necessary.

The state Department of Public Welfare's Office of Long Term Living is funding this pilot program; PHFA is working in partnership with OLTL to disburse the awards. Five awards of \$87,500 each are anticipated. This will fund required activities for the remainder of fiscal year 2010-11 and the money must be spent by June 30, 2011.

All completed applications must be received by e-mail at PHFA by 2 p.m. Nov. 24, 2010. If funding remains available, additional applications may be considered on an ongoing basis after Dec. 1, 2010. It's PHFA's goal to award all funds no later than Dec. 22. Questions concerning the application may be submitted in writing only to [hmat@phfa.org](mailto:hmat@phfa.org). Additional information, including questions and answers, will be posted soon on PHFA's Web site at [www.phfa.org](http://www.phfa.org) (check for active RFPs).

#### **Speakers available to explain PHFA homeownership programs**

PHFA's homeownership division frequently makes presentations to various groups including builders, bankers, realtors, municipals groups, and others. The purpose of these presentations is to share information about PHFA's mission to expand affordable housing options in the state and to educate people about the agency's competitive home-loan programs and other great opportunities. PHFA can only be effective meeting its public service goals if the state's residents and our partnering organizations know the many benefits the agency can provide.

With this in mind, PHFA invites interested organizations to contact the agency to request guest speakers for groups of 10 or larger. With satellite offices in Norristown and Pittsburgh, PHFA can usually provide speakers if organizations are flexible when scheduling a presentation. To request a PHFA speaker for a presentation about our homeownership programs, please call our Homeownership Hotline at 1-800-822-1174. To request a speaker on any of our other PHFA programs, please call PHFA Communications Manager Scott Elliott at 717-780-3916. We appreciate the public's interest in our programs and services.

## MULTIFAMILY HOUSING NEWS

### Multifamily developments to submit applications for 2011 funding in November

For 2011, PHFA has changed the way in which applicants will seek PHFA loan funding and federal low-income housing tax credits. Applications will be considered using a two-step application funding process with a primary focus on site location and market conditions. Developers are invited to submit a brief preliminary application on or before Nov. 5, 2010. PHFA staff will conduct site visits on all of the properties and will make determinations on which are recommended to move forward based on PHFA resources available in certain regions and targeted uses throughout the commonwealth. The amount of tax credits set aside for specific regions and uses is set forth in the 2011 Allocation Plan which was approved by PHFA's board of directors on Oct. 14. Based on the level of interest in these programs, the agency anticipates the receipt of more applications for funding than in previous years.



**Eagleview is a 49-unit building in Exton, Chester County, that houses elderly Pennsylvanians. It serves as an example of a project that has received PHFA multifamily development funding.**

Developments that meet the preliminary application threshold requirements and demonstrate significant market demand will be invited to submit a supplemental application in March 2011. The 2011 Allocation Plan also outlines the process and selection criteria on which an award of tax credits will be made. For 2011, successful properties must demonstrate that they:

- Have a significant community and economic impact on the neighborhood
- Incorporate green building design and materials
- Include accessible design features
- Provide supportive services to the residents, and
- Will be affordable to individuals at or below 50 percent of the area median income

Each year, approximately 1,200 affordable housing units are constructed or rehabilitated using PHFA resources.

## GOVERNMENT AFFAIRS

### Update on housing trust fund legislation

House Bill 60, which would create a housing trust fund within PHFA, was passed by the state Senate on Oct. 12. Because the Senate made some changes to the bill, it was sent back to the House and is presently in the House Rules Committee. The House returns to session Nov. 8 and is expected to be in session about five legislative days before adjourning for the year. This is the closest any statewide housing trust fund legislation has ever come to being enacted into law. Although no state funds are made available in the bill, the establishment of the fund would provide PHFA with a repository for any federal trust fund monies made available, as well as any private funds it could raise.

## COMING EVENTS

### Next year's PHFA Housing Forum offers targeted marketing for housing firms

If your company or organization works in the housing field in Pennsylvania, you don't want to miss PHFA's 2011 Housing Forum, planned for May 5 and 6 in Harrisburg. This event brings together more than 400 of the state's top housing professionals for a day-and-a-half of seminars and expert speakers on critical housing topics. The event includes a marketplace exhibit hall that runs all day and into the evening on May 5. With a need to focus marketing budgets in today's demanding economy, the 2011 Housing Forum will

provide a solid return on investment. Forum sponsorships are available at a variety of affordable levels. To learn more, please contact Paula Brightbill at 717-780-3915 or [pbrightbill@phfa.org](mailto:pbrightbill@phfa.org).

The theme for next year's forum is "Rebuilding the Dream." It will include some new features intended to give attendees more options that better fit their needs, including several "Fast Track" seminars offering condensed information during shorter sessions. Watch your mailbox for upcoming information, or call Paula (see above) to be placed on our Housing Forum mailing list.

### **NEW ON THE PHFA WEB SITE**

#### **PHFA brochures consolidated on one easy-to-find Web page**

PHFA maintains a large library of brochures on all our major housing programs. These brochures are available throughout the PHFA Web site as downloadable PDF files. In an effort to make this information even more accessible for our customers, all PHFA brochures also have been consolidated on a single, easy-to-access Web page. Simply go to the "About PHFA" pull-down menu on the home page at [www.phfa.org](http://www.phfa.org) and click on "News and Notices." Brochures are the third bullet item. This new resource includes all of the agency's Spanish-language brochures.

#### **Advertising campaigns available online**

The agency now is posting its advertising campaigns on the Web site, too, offering another venue for promoting our public messages. These advertisements that are running on radio and TV stations across the state can be viewed on the "News and Notices" Web page; just click on the second bullet for "Advertising Campaigns." Once on the page, simply click inside the box, select the ad you want to see or hear, and click "submit."

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**Edward G. Rendell, Governor • Brian A. Hudson Sr., Executive Director & CEO**

To receive an e-mail notice when a new issue of PHFA Developments is posted, or for comments and questions, please write Scott Elliott at [selliott@phfa.org](mailto:selliott@phfa.org)

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