

# PHFA Single Family Mortgage Programs Matrix

## General Guidelines for Purchase Programs

This sheet is to serve as a basic guide. Additional guidelines and details are contained in the Seller's Guide located at [www.phfa.org/lenders/forms.aspx](http://www.phfa.org/lenders/forms.aspx). Terms and conditions are subject to change.

- Downpayment, seller concessions, and underwriting guidelines are determined by the respective government insurance agency.
- Standard PHFA underwriting ratios are 33/38. These ratios may not be exceeded without acceptable compensating factors.
- Underwriting ratios for loans insured/guaranteed by FHA, VA or RD are to be determined by each respective entity's guidelines.
- The house intended for purchase must be occupied by the buyer as a primary residence within 60 days of closing.
- Any borrower with a FICO score below 660 must complete a pre-closing counseling course at a PHFA-approved agency. See Web site for a listing of agencies.
- The property must be a one-unit single family, attached or detached (including condos), new or existing home designed for residential use.
- Maximum purchase price and income limits are established for every county for the Keystone Home Loan program. For income limit purposes, the income of all adult household members is projected one year forward. The total acquisition cost must fall within the established purchase price limit. (See program brochure or Web site)

## Mortgage Programs

### Keystone Government Loan Program (K-Gov)

- K-Gov provides first mortgage financing on loans insured by FHA, RD or VA.
- Borrower eligibility and guidelines are determined by the respective federal agency guidelines.
- There are no PHFA-specific income or purchase price limits.
- Properties must meet the respective guidelines for FHA, RHA, or VA.
- The **Keystone Advantage Loan** offers downpayment/closing cost assistance to first-time and non first-time homebuyers, based on need.
- Additional guidelines can be found in the **Seller's Guide, Chapter 3**.
- FHA 203K loans are also permissible.

### Keystone Home Loan Program (KHL)

- KHL provides first mortgage financing on conventional uninsured loans (with a 20% downpayment) as well as those insured by FHA, RD or VA.
- Applicant does **not** have to be a first-time buyer if purchasing a home in one of 39 Targeted counties or in a Targeted census tract within 13 additional counties. In non-target areas, the applicant must not have had an ownership interest in a primary residence within the previous three years. (see program brochure or web site)
- The first-time homebuyer requirement is waived for Veterans and their spouses in non-targeted areas under Keystone Home Loan Program.
- Two-unit properties must be at least 5 years old.

### Keystone Advantage Assistance Loan (KAAL)\*

- Borrowers may qualify for downpayment/closing cost assistance in the form of an assistance loan in conjunction with the Keystone Government Loan and Keystone Home Loan.
- The assistance granted is to be calculated using PHFA **Form 56ADV- Needs Assessment Form**
- Assistance is provided in the form of a second mortgage to repaid simultaneously with the first mortgage.
- The Advantage Loan offers assistance of up to 2% of the purchase price, capped at \$4,000.
- Assistance is a 10 year loan in second lien position with the same interest rate as the first mortgage.
- Asset limitation of no more than \$5,000 in liquid assets after closing is required.
- KAL loan projected payment amount must be included in the ratio calculations.
- \* assistance available with maximum financing only.

## Program Enhancements and Add-Ons (Available in conjunction with one of the above first mortgage programs)

### Homestead Second Mortgage Program

- Available with FHA, VA or RD loans.
- Downpayment and closing cost assistance up to \$10,000 for first-time homebuyers. (Certain exceptions may apply.)
- Loans are forgiven at 20% a year, over five years
- Purchase price and income limits are set by county.
- Actual amount of assistance depends on need.
- The home may not be tenant occupied at the time the sales agreement is signed.
- The home must have been built after 1978 (certain exceptions apply).
- Liquid assets may not exceed \$5,000 after closing.
- Limited to areas that do NOT receive HOME funding.
- Program fee of 1%.

### Purchase Improvement Program

- Up to \$15,000 can be included in the first mortgage for improvements to improve basic livability, energy efficiency or safety.
- The purchase price plus the cost for repairs must fall at or below the appropriate purchase price limit for the program and county.
- PHFA or the originating lender may serve as the escrow administrator.
- FHA 203K loans are also permissible.
- Conventional uninsured loan product only.

## Programs for Persons with Disabilities and Homeowners

### Access Modification Loans for Persons with Disabilities

- Up to \$10,000 (depending on need) in the form of a subordinate loan\* is available for home modifications when the borrower or a household member has a disability.
- Up to \$15,000 is available for down payment and closing cost assistance\* depending upon income and need. (Must be used in conjunction with a Home Modification Loan.)
- May be used in conjunction with Keystone Government with FHA or RD insurance.

### Keystone Renovate & Repair Loan Program (R&R)

- R&R loans can be used to pay for repairs and improvements that increase the basic livability of the home
- Borrow up to a maximum of \$35,000 or 120 percent of the home's value for approved home repairs or renovations (minimum of \$2,500).
- Often lower rates than traditional home equity loans.
- Income limits are based on 150% of the statewide median area income
- Choose a 10, 15, or 20-year fixed rate loan.
- Provides help selecting qualified and reputable contractors.