

PENNSYLVANIA HOUSING FINANCE AGENCY

211 North Front Street

Harrisburg, Pennsylvania 17101

Contact: Paula Brightbill or Phil Friday
717.780.3915

**VETERANS GET BOOST FROM NEW
PENNSYLVANIA HOUSING FINANCE AGENCY
HOME LOAN RULES**

(HARRISBURG) The Pennsylvania Housing Finance Agency has adopted new rules to help military veterans use its home mortgage loans to buy houses, even if they aren't first-time homebuyers. This new measure means that honorably discharged veterans of the uniformed services who have owned homes in the past can now buy houses using PHFA's bargain-rate loans. PHFA-financed loans generally run anywhere from one-half to one-and-a-half points lower than conventional mortgages.

This change was made to reflect a recent federal statute allowing the proceeds of "mortgage revenue bonds" such as those issued by PHFA to be used to help veterans. The measure takes effect immediately, and will remain in force throughout 2007.

"America owes a tremendous debt of gratitude to the men and women who have placed themselves in harm's way defending this nation," said Brian A. Hudson, PHFA's Executive Director. "The Pennsylvania Housing Finance Agency wants to help repay them for their sacrifices."

PHFA has offered mortgage loans through a network of participating lenders since 1982. Because of restrictions placed on the program by the federal government these loans have been directed primarily, with some exceptions, to buyers who have previously not owned homes of their own. In December, however, the President signed legislation permitting honorably discharged veterans to purchase homes in 2007 under the Agency's program without reference to the first-time buyer requirement.

There are hundreds of thousands of honorably discharged veterans living in Pennsylvania. Many should be able to take advantage of this opportunity.

"This move couldn't be more appropriate," Hudson said. "This is the twenty-fifth anniversary of PHFA's homeownership program and I can't think of a better way to celebrate it than by helping our veterans."

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Federal guidelines require that anyone using “mortgage revenue bond” loans to buy homes meet certain maximum income and purchase price limits. This restriction will still apply to veterans. The guidelines are not over-restrictive, however; purchase price maximums range from \$237,000 to \$320,000, with maximum income limits of \$60,000 to \$90,000. The limits vary from county to county.

Additional information, including participating lenders, program guidelines and limits, is available on the PHFA Web site, www.phfa.org, or by calling the toll-free mortgage hotline, 1.800.822.1174.

The Pennsylvania Housing Finance Agency is the Commonwealth’s leading provider of capital for affordable homes and apartments.

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