



R&R 4th Quarter Loan Program Update October 2009

Quick Link to Updated Documents/Forms: [Form A12](#), [Form A24](#), [Flood Determination Transfer to PHFA \(letter\)](#)

General Announcements:

1. All construction contracts in this program must have both the contractor's state registration number AND the expiration date of their registry. More info: <http://hicsearch.attorneygeneral.gov/>
2. PHFA has discovered that when scanning files, highlighters and items written in blue ink, do not scan well. We would like to ask that you no longer use these items in the file. If an item needs to stand out, please underline and/or use check marks (in black ink) so that the scanner will pick up these details. It is especially important that borrowers sign their mortgages and notes in BLACK ink.
3. Pre-Closing Approval/Cancellation Request [Form A19](#) – reducing its frequency! Effective immediately, you only need to send this form if the loan is being cancelled or there is a change that needs to be made on the loan. It is no longer needed on every file.
4. When ordering Lien Searches, they should be ordered using the homeowners' names and property address, not social security number.
5. Borrower Guidance [Form A24](#) – Has been redesigned to better inform borrowers of their responsibilities in all PHFA home improvement loan programs, including R&R. Please provide it to borrowers at the time of application and have a second copy for them at the closing table. The Borrower Statement of Understanding [Form A12](#) - has been modified so that borrowers sign to indicate that they have received this information.
6. HUD has redesigned their Good Faith Estimate (GFE) and the HUD 1 documents. In an effort to stay up to date with the correct forms, PHFA will no longer supply these forms. Instead, we have replaced them with an external link under our "[R&R Forms](#)" section. Once there, click on the link and it will take you to HUD's website to print the most up to date version.

7. Flood Determination - The annual flood determination notifications should be sent to PHFA's Accounting and Loan Servicing Department by sending a copy of the attached letter to a flood determination company. After the FEMA map update PHFA will then send a notification to the homeowners whose house is in a 100 year flood zone. By following this procedure you don't have to deal with it ☺
8. ACH – we will begin transmitting disbursements to LPAs December 15th --- if you update your ACH and ACH contact person information with us. Please complete and fax the [ACH Check Request Form](#) to us at PHFA R&R Attn: Tammy Miller.

9. HAPPY STORY from HAZELTON

KNBT, a division of National Penn Bank, and the city of Hazleton are a partnership LPA that has a great story to share: Mary is an elderly woman who lives alone and has banked with KNBT for years. She originally applied at the bank for a home equity loan to put a \$14,000 roof on her home, but later heard about the R&R program, and asked if she could use an R&R loan instead. She was happy to have the home evaluation.

\$5,400 worth of headache-free type “happy.” The contractor who had given her the original bid wasn't licensed to work in the city of Hazleton and was trying to sub the job out to friends of his, who were demanding half the funds for this overpriced job upfront.

By using a contractor from the Hazleton rehab program list, Mary got a solid new roof and a few other repairs identified by the evaluator for \$8,600; work was done on time and the payment plan was fair. The city and the bank also generated fee income for their organizations. Good outcome all around!!

10. SCARY STORY for HALLOWEEN:

Computer hacker steals \$479,000 from Cumberland County Redevelopment Authority

By MATT MILLER, The Patriot-News

October 13, 2009, 11:31AM

A computer hacker stole \$479,000 from the Cumberland County Redevelopment Authority and only about \$109,000 has been recovered to date, Executive Director Christopher Gulotta confirmed this morning.

Efforts are continuing to recover the stolen funds, but Gulotta said a complete recovery seems unlikely. He said the agency has hired a special legal counsel to explore its options.

The authority's insurance doesn't cover cybertheft, he said.

Gulotta said the theft was committed with a computer virus known as the Clampi virus that attacked an authority account with M&T Bank on Sept. 22.

The stolen money involved state Department of Community and Economic Development funds that were targeted for a project to rehabilitate a building in downtown Newville, Gulotta said.

The authority will cover the loss with its own funds so that project won't be impaired, he said. The theft shouldn't damage authority efforts as a whole, Gulotta said.

He said the FBI was notified of the theft and the authority has upgraded its computer security.

(FYI, Happy stories and scary stories, if they are important for good business practices in this crazy modern world, will be shared on an ad hoc basis in the future, separate from the Quarterly Updates.)

11. PHFA recently upgraded to Office 2007. This means that we are now working with “.docx” instead of the familiar “.doc” for our WORD documents. We are trying to remember to send documents to our partners in both formats. If you receive a doc in 2007 format (“.docx) and cannot open it please let us know, we can reformat it and resend.

12. Previous Quarterly Updates for the R&R program will be on PHFA’s website December 1, 2009.

Post Closing

No updates this time.

Program Contacts

Email: Please use renovateandrepair@phfa.org

Telephone: 717-780-3871

Extensions: Compliance	Final Documents	Purchasing	Training/Program Evaluations
Pat Musser 3983 Vikki Lauer 3972 Monica Williams 1831	Norie Kerstetter 3986	Angela Green 3862	Roberta Schwalm 3838 Marisa Weaver 4034