

PENNSYLVANIA HOUSING FINANCE AGENCY
Homeownership Programs Division
211 North Front Street, Harrisburg, PA 17101
www.phfa.org
800-822-1174

**Borrower Statement of Understanding
And Program Disclaimer**

We _____, the undersigned, owner(s) of _____, PENNSYLVANIA, attest that we are aware of the following information and are still interested in pursuing a PHFA Renovate & Repair Loan:

Acknowledgment of Scope of Work and Contract:

- a) We agree that the attached Contract contains the complete description of the work that we have chosen to have done in our home with Renovate & Repair Loan funds or with our Renovate & Repair Loan and any other funding source held in escrow with the Local Program Administrator (LPA) (if applicable).
- b) We understand that any work item not fully and clearly described in the Contract will not be done.
- c) We acknowledge that this contract is between ourselves and the contractor.
- d) We acknowledge that the cost, completion and workmanship of the repairs and improvements performed with the proceeds of the Renovate & Repair Loan are not the responsibility of the Pennsylvania Housing Finance Agency, the Local Program Administrator, and the Lender we worked with, or their successors or assigns.
- e) We understand that all work items must be completed within 90 days of loan funding, unless a longer timeframe has been approved in writing by the Pennsylvania Housing Finance Agency, and that we are responsible for complying with LPA instructions, including but not limited to providing reasonable access to our property, in order to meet this timeframe.

Borrower Guidance for PHFA Home Improvement Loans

We have read the PHFA educational form A24 titled “**Borrower Guidance for PHFA Home Improvement Loans.**” This form describes our responsibilities as R&R borrowers for selecting a contractor, signing a work contract, avoiding Mechanics’ Liens and lead hazards, focusing on increasing energy efficiency and using productive Issue Resolution techniques should we have difficulties with our contractor(s).

Understanding of Lead Hazards:

We have read the Environmental Protection Agency’s Lead Hazard Pamphlet “**Renovate Right**” provided to us and understand the importance of safely addressing lead in our home because it is a

health hazard for all people, especially for children under 6 years of age and women who are or may become pregnant.

Awareness of Indebtedness:

By accepting the PHFA Keystone Renovate & Repair loan that we applied for to make improvements to our property,

We may be encumbering our home with more debt than it is currently worth. The value used by my lender is \$x and was calculated by

Using 100% of the current 'market value' from an appraisal

OR

- a) Multiplying the assessed tax value of my home by the Commonwealth of Pennsylvania's Common Level Ratio, a numerical factor derived from local home sales, to provide estimated home values.

We are aware that there is no guarantee that the future value of our property will be greater than the amount of all debts placed against it.

We are the current owner/occupants of the property being renovated OR will be the owner/occupants after the closing for the purchase of the home being renovated.

We also agree that any unused loan funds remaining after the completion of work items will be credited toward reduction of principal balance of the R & R and/or Conversion Loan(s). The face amount of the Note will not change.

Borrower Signature & Date: _____

Co-Borrower Signature & Date: _____

Witness Signature & Date: _____

Attach Work Contract Here