

QUICK LINKS TO UPDATED FORMS

[Appendix I](#)

GENERAL ANNOUNCEMENTS

1. Effective for loans locked on and after January 2, 2017, the lock policy regarding changes between loan programs has been revised as follows, and the Seller's Guide will be updated at the end of December accordingly:

In the event of a change of products or loan types (e.g., Keystone Home Loan to Keystone Government Loan), the original lock will be revised subject to worse case pricing based on the original lock date, and the current lock expiration period will continue to be active.

In the event of a change within a program (e.g., Keystone Government to Keystone Government Advantage), the rate quote will be based on the day of the original lock, and the current lock expiration period will continue to be active.

2. Coming soon! A new electronic document system called VirPack. Stay tuned for more information and implementation dates.
3. When using a Power of Attorney (POA) for borrowers on a loan transaction, PHFA's approval is required to determine if the POA can be utilized in the particular circumstances. However, the participating lender's legal counsel must approve the acceptability of the POA document that is being used.
4. Bailee Agreements – As a reminder, lending partners that are utilizing warehouse lenders to fund PHFA loans must have a PHFA Bailee Agreement, [Form 69](#) on file. If your lending institution needs to change your existing warehouse lender, please be sure to complete a new Form 69 and submit the new executed Bailee Agreement to PHFA. This must be received before purchase files are sent to us that were funded under your new warehouse line. This process is very important and may cause delays when the proper documents are not executed.
5. PHFA is now set up for the appraisal sharing feature in Fannie Mae's Uniform Collateral Data Portal. In order to share appraisals with PHFA, lenders must complete the one-time Fannie Mae Uniform Collateral Data Portal (UCDP) Appraisal Sharing setup process. Select PA Housing Finance Agency as an Aggregator using the PA Housing Finance Agency Aggregator ID#: XFP825.

LOAN ORIGINATIONS & UNDERWRITING

1. As a point of clarification, please recall that the Keystone Home Loan Conventional program is to be underwritten using the Fannie Mae HomeReady guidelines including any PHFA overlays. As a result, all loans will require a DU findings report and a "successful" Fannie Mae UCDP submission. Neither an LP nor a UCDP from Freddie Mac is acceptable. Also, Keystone Home Loans utilizing a government insurance or guarantee; must meet the guidelines of the appropriate agency along with any PHFA overlay. All FHA loans under the KHL and K-Gov programs will require a successful EAD notification in the Pre-Closing (Compliance) package.

2. For Condominiums, the Limited Review process has only been acceptable in the past under the Keystone Home Loan (KHL) conventional product. In an effort to be more consistent, effective immediately we will begin to allow “limited reviews” under the HFA Preferred program when the LTV is at or below 80%. As with warranted condominiums, the lender will continue to be responsible to ensure that the condominium meets Fannie Mae property and insurance requirements. The Pre-Closing package must contain proof of acceptable insurance and a properly completed Fannie Mae Transmittal Summary (Form 1008) with the “project type” section completed by indicating the appropriate project type “P” Limited Review New Detached or “Q” Limited Review Established. [Appendix I](#) has been updated.

CLOSING & POST CLOSING

1. Effective immediately, the ACH payment for the Second SRP will occur more frequently. The payments will be made every Monday; if that day is a holiday, the payment will then be made on Tuesday.
2. When completing the Note, Mortgage, Assignment and ordering the title policy for all loan types, please be sure to list the full address on the documents. For example: don’t list 216 E Main Street on the Note and Assignment and list 216 East Main Street on the Mortgage and Title Policy. The address must include the word “East” to the description.
3. Effective immediately, loans utilizing non PHFA subordinate funds will have a purchase condition on the approval notification referencing the amount of the subordinate. If that amount changes at the time of closing, you will be required to submit a new 1003, LUTS or 1008 and AUS listing the actual amount used when the loan closed. The Closing Disclosure will also need to reference the final amount that was issued.

Please [contact us](#) with any questions.