# Releasing Borrower Q&A

**What do I need to do to release a borrower from my PHFA loan?**

**-** If your loan is a VA loan you will have to reach out to the VA about releasing your co-borrower; due to VA regulations PHFA is unable to change anything. You may contact the VA by calling 877-827-3702 or by visiting www.va.gov for a list of the regional offices.

- If you have a USDA loan you will have to reach out to a lender (you can use the same one you used for the original loan or a new one) and refinance your loan in order to remove the borrower. This is due to USDA regulations.

- If you're unsure what type of loan you have, you can look it up on our borrower web site here https://loanspherereservicingdigital.bkiconnect.com/phfa/#/login by clicking on the 'My Loan' tab, or you can contact our Customer Solutions Center at 888-827-3466 or askphfa@phfa.org.

- Your mortgage payments must be current for the previous 12 months and must be kept current throughout the process. If you have an FHA loan, there must be no more than two 30-day delinquencies within the last 24 months. If your loan becomes delinquent during this process, your request will be canceled.

-Your credit score must be at least 620.

-There must be no outstanding fees on your account.

- You must provide a copy of the divorce decree or settlement agreement, or a Notarized letter from the borrower being released requesting to be removed from the loan.

- Debt to income (DTI) calculations and other requirements vary depending on the type of loan you have (i.e., FHA, conventional, etc.). In general, the DTI ratios cannot exceed 30% and 43%. The first number is the percent of your total monthly mortgage payment divided by your gross monthly income (before taxes and other deductions). The second number is the percent of your total monthly mortgage payment plus your monthly debt obligations (generally those debts that appear on your credit report and those that are court ordered such as child support) divided by your gross monthly income.

- There is a $300.00 initial processing fee, which is non-refundable regardless of the outcome. Your check must be made payable to PHFA and must be sent to us when you complete the initial application. If your request is denied, you will not be refunded this fee, and the other person's name will remain on the mortgage.

-2 full years of continuous employment in the same line of work (if you are on/have had unemployment in the last 2 years that is not considered continuous employment)

-You can use Social Security / Disability / Pensions as proof of income.

-If you don't meet these requirements and would like help with your financial needs, you may wish to contact a HUD-approved housing counselor by calling (800)569-4287, or visiting www.hud.gov/counseling or www.phfa.org/counseling.

**I am just removing the other borrower from the loan. Why do I have to qualify for the mortgage?**

-When you remove the other borrower from the loan it increases the risk of loan default. When both borrowers purchased the property, they were qualified together to be able to afford the loan with both incomes. The release process is a qualifying process so the remaining borrower must demonstrate the ability to be able to repay the loan on their own income.

**What are the next steps if the release is approved?**

- There will be a fee charged by the county to record the Release of Obligor Agreement. PHFA will notify you of the recording fee amount as well as any other documents that may be needed to finalize the release. If you would like to know the amount of the current recording fee, you may contact your county's Recorder of Deeds Office; most counties also publish their fee schedules on their website (and are subject to change periodically).

-You will have three months from the date of the approval notice to mail all remaining required documents and fees, or we will cancel your request.

-You will also have three months from the date of the approval notice to mail a copy of the new recorded deed transferring the title of the property into just your name alone. Please contact an attorney in your area to prepare and record the new deed for you. Once the new recorded deed is received by PHFA, the Agency would prepare the Release of Obligor document(s).

**If I release a borrower will my payment and interest rate stay the same?**

- This process is not considered refinancing. The terms of your Mortgage and Note remain the same, including your interest rate and monthly mortgage payment (unless your payment changes as the result of an escrow analysis).

**Will the borrower also be released from my secondary loan that we used for downpayment and closing cost assistance?**

- If you obtained a second loan at the time of the home purchase to assist with your downpayment and closing costs, PHFA will also release the borrower from that second mortgage (unless it has been paid in full or fully forgiven). There would also be a recording fee to record the Release of Obligor for this loan as well, but PHFA does not charge an additional processing fee.

**Do mortgage payments need to be made during the process?**

-Yes. The mortgage must remain current during the release process. If it were to become delinquent at any time the release will be cancelled, and you will have to start the process over once you have been current for a year.

**Can I add someone to the loan at the same time as the release?**

- You may be able to add another borrower or a co-signor, but there are additional guidelines and fees that apply. That person would also be liable for the loan, which could impact their credit history and score. Please contact us for more information if you are interested in pursuing this.

**I am in the process of getting a divorce or have already finalized my divorce. Do I still need to do this process?**

-Yes. A court order awarding the property to one spouse does not relieve the other spouse of their contractual obligations under the terms of the existing mortgage and note. In order to do so, the borrower awarded the property must qualify to assume the existing debt based on their current financial circumstances in order to remove the other borrower. Another option would be to refinance your mortgage under just your name. The last option would be to pay off your existing mortgage.

**Can't I just have a new deed done in my name only?**
- No. Removing your spouse from the deed, even if it was done as part of a court order or divorce decree, does not remove them from their obligations under the Mortgage and Note.

**Should I wait until my Divorce is finalized before starting the release process?**

-If you have an FHA loan, waiting until your divorce is finalized (meaning you have the Divorce Decree and Settlement Agreement) would make you eligible for the streamlined FHA Exception process. The FHA exception process is non-credit qualifying, and you would only need to document six months of timely payments from your own funds. See the FHA Exception Checklist for more details. This process is not available for other loan types.

**Who do I contact if I have a question that is not on this Q&A sheet?**

- If you have any questions or think you might need an extension on the paperwork, please contact us by email at SpecialLoans@phfa.org.

**I meet the requirements above. How do I start the process?**

-If you have an FHA loan and you're releasing a borrower as part of a divorce (must have a Divorce Decree and Settlement Agreement), or other court-ordered circumstance, submit the documents on the FHA Exception Checklist.

-If you have an FHA loan and you do not have a divorce decree and settlement agreement, or you have a Conventional loan, submit the documents on the FHA/Conventional Checklist.

**REQUIRED DOCUMENTATION**
**RELEASE OF LIABILITY**

# FHA OR CONVENTIONAL REQUIRED DOCUMENTATION

- Release of Mortgagor Fee - $300.00 (Non-Refundable).
- URLA 1003 Loan Application – please view page 2 for instructions on how to complete the application.
- Forwarding Address of borrower being released.
- Certification and Authorization - signed. PHFA will provide.
- W-9 – Please view page 2 for instructions on how to complete.
- Verification of Employment– Please view page 2 for instructions on how to complete the VOE. And you must provide 1 month of current pay stubs.
- 2 Years W-2's
- 2 months most current bank statements – All pages including reconciliation pages.
- Copy of the Divorce Decree and Settlement Agreement, if no Divorce Decree, then a signed, notarized letter from the borrower being released of liability.
- **If on Social Security or Social Security Disability –** must provide copy of original award letter, must be longer than two years.
- **If Self-Employed/Commissioned employee or retired –** latest 2 years of Federal Taxes, all schedules, and all pages.
- **If paying/receiving Child Support and/or Alimony by the applicant**, it must be court ordered (Domestic Relations) or in a finalized Settlement Agreement. Please provide a 6 month payment history from Domestic Relations and/or bank statements.

**Please Note: If your request is approved,** a copy of the new-recorded deed, showing transfer of ownership, and the recording fee must be sent to the agency within 90 days of the approval date.

**Please Return To:** PHFA, ATTN. Special Loans, 211 North Front Street, Harrisburg, PA 17101.
*Call 717.780.3920 or 717.780.3818 with any questions or contact us via email to SpecialLoans@phfa.org or by fax to 717.614.2764.*

## Loan Application:

That is an application, I only need the following sections completed:

1. Section 1, Borrower Information – Complete entire section, if you have additional employment information, please complete that, if you are releasing a borrower, I need 2 years of employment. If you receive child support or alimony, please add that at the bottom of the page.

2. Section 2, Financial Information – Complete entire section, if the Does not apply box is checked, I do not need this information.

3. Section 3, Financial Information – Real Estate - checked the real estate does not apply, if you have additional properties that you collect rent for, you may enter them here.

4. Section 4, Loan and Property Information – Does not apply boxes are checked.

5. Section 5, Declarations, answer all the questions.

6. Section 6, Acknowledgments and Agreements – Please read and sign at the bottom of page.

7. Section 7 Military Service - please answer yes or no and complete questions if YES.

8. Section 8, Demographic Information - this is now required, please complete entire section.

9. Section 9, Loan Originator Information, you do not need to complete this page, do not sign.

## W9:

Please complete the entire form and sign/date.

## Verification of Employment:

Please complete Part I: Section 1,7 & 8. Do not fill out any other areas. Do not try to give it to your employer as we need to sign it before we mail it out. It would be helpful if you knew a fax number or email contact of someone in the HR department that could get this form back to me as soon as possible. You can write their information at the top of the form if you know it.

**REQUIRED DOCUMENTATION**
**RELEASE OF LIABILITY**

# FHA EXCEPTION REQUIRED DOCUMENTATION

- Release of Mortgagor Fee **- $300.00** made payable to PHFA (Non-Refundable).
- URLA 1003 Loan Application – please view page 2 for instructions on how to complete the application.
- Forwarding address of borrower being released.
- W-9 – Please view page 2 for instructions on how to complete.
- 6 months of most current bank statements – in your name only, all pages including reconciliation pages.
- Copy of the Divorce Decree and Settlement Agreement.
- **If on Social Security or Social Security Disability –** must provide copy of original award letter, must be longer than two years.
- **If Self-Employed/Commissioned Employee or Retired –** latest 2 full years of Federal Taxes, all schedules, and all pages. If self-employed, must also provide current year-to-date profit & loss statement.
- **If Paying/Receiving Child Support and/or Alimony by the applicant** – it must be court ordered (domestic relations) or in a finalized settlement agreement. Please provide a 6-month payment history from domestic relations and/or bank account.

**Please Note: If your request is approved,** a copy of the new-recorded deed, showing transfer of ownership, and the recording fee must be sent to the agency within 90 days of the approval date.

**Please Return To:** PHFA, ATTN. Special Loans, 211 North Front Street, Harrisburg, PA 17101.
*Call 717.780.3920 or 717.780.3818 with any questions or contact us via email to SpecialLoans@phfa.org or by fax to 717.614.2764.*

## Loan Application:

This is an application; I only need the following completed:

1. Section 1, Borrower Information – Complete entire section, if you have additional employment information, please complete that, if you are releasing a borrower, I need 2 years of employment. If you receive child support or alimony, please add that at the bottom of the page.

2. Section 2, Financial Information – Complete entire section, if the Does not apply box is checked, I do not need this information.

3. Section 3, Financial Information – Real Estate - checked the real estate does not apply, if you have additional properties that you collect rent for, you may enter them here.

4. Section 4, Loan and Property Information – Does not apply boxes are checked.

5. Section 5, Declarations, answer all the questions.

6. Section 6, Acknowledgments and Agreements – Please read and sign at the bottom of page.

7. Section 7 Military Service - please answer yes or no and complete questions if YES.

8. Section 8, Demographic Information - this is now required, please complete entire section.

9. Section 9, Loan Originator Information, you do not need to complete this page, do not sign.

## W9:

Please complete the entire form and sign/date.

*To be completed by the* ***Lender:***
Lender Loan No./Universal Loan Identifier ______________________ Agency Case No. ____________

# Uniform Residential Loan Application

**Verify and complete the information on this application.** If you are applying for this loan with others, each additional Borrower must provide information as directed by your Lender.

## Section 1: Borrower Information.

This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

### 1a. Personal Information

**Name** *(First, Middle, Last, Suffix)*

**Alternate Names** – *List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix)*

**Social Security Number** ____ – ____ – ____
*(or Individual Taxpayer Identification Number)*

**Date of Birth**
*(mm/dd/yyyy)*
____/____/____

**Citizenship**
◯ U.S. Citizen
◯ Permanent Resident Alien
◯ Non-Permanent Resident Alien

**Type of Credit**
◯ I am applying for **individual credit.**
◯ I am applying for **joint credit.** Total Number of Borrowers: __
Each Borrower intends to apply for joint credit. **Your initials:** ____

**List Name(s) of Other Borrower(s) Applying for this Loan**
*(First, Middle, Last, Suffix) – Use a separator between names*

**Marital Status**
◯ Married
◯ Separated
◯ Unmarried
*(Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship)*

**Dependents** *(not listed by another Borrower)*
Number __
Ages ____________

**Contact Information**
**Home** Phone ( ___ ) ___ – ____
**Cell** Phone ( ___ ) ___ – ____
**Work** Phone ( ___ ) ___ – ____ **Ext.** ____
**Email** ____________

**Current Address**
Street ____________ Unit # ____
City ____________ State ____ ZIP ____ Country ____
How Long at Current Address? ___ Years ___ Months **Housing** ◯ No primary housing expense ◯ Own ◯ Rent ($ ______ /month)

**If at Current Address for LESS than 2 years, list Former Address** ☐ ***Does not apply***
Street ____________ Unit # ____
City ____________ State ____ ZIP ____ Country ____
How Long at Former Address? ___ Years ___ Months **Housing** ◯ No primary housing expense ◯ Own ◯ Rent ($ ______ /month)

**Mailing Address** – *if different from Current Address* ☐ ***Does not apply***
Street ____________ Unit # ____
City ____________ State ____ ZIP ____ Country ____

### 1b. Current Employment/Self-Employment and Income

☐ ***Does not apply***

**Employer or Business Name** ____________ Phone ( ___ ) ___ – ____
Street ____________ Unit # ____
City ____________ State ____ ZIP ____ Country ____

**Position or Title** ____________
**Start Date** ___/___/_____ *(mm/dd/yyyy)*
How long in this line of work? ___ Years ___ Months

**Check if this statement applies:**
☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.

☐ **Check if you are the Business Owner or Self-Employed**
◯ I have an ownership share of less than 25%.
◯ I have an ownership share of 25% or more.
**Monthly Income (or Loss)** $ ______

**Gross Monthly Income**

| | | |
|---|---|---|
| Base | $ ______ | /month |
| Overtime | $ ______ | /month |
| Bonus | $ ______ | /month |
| Commission | $ ______ | /month |
| Military Entitlements | $ ______ | /month |
| Other | $ ______ | /month |
| **TOTAL $** | **0.00** | **/month** |

## 1c. IF APPLICABLE, Complete Information for Additional Employment/Self-Employment and Income

☐ ***Does not apply***

**Employer or Business Name** ______________ Phone ( ___ ) ___ – ___

Street ______________ Unit # ______

City ______________ State ____ ZIP ______ Country ______

**Position or Title** ______________

**Start Date** ___ / ___ / _____ *(mm/dd/yyyy)*

How long in this line of work? ___ Years ___ Months

**Check if this statement applies:**

☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.

☐ **Check if you are the Business Owner or Self-Employed**

◯ I have an ownership share of less than 25%.

◯ I have an ownership share of 25% or more.

**Monthly Income (or Loss)** $ ______

**Gross Monthly Income**

| | | |
|---|---|---|
| Base | $ | /month |
| Overtime | $ | /month |
| Bonus | $ | /month |
| Commission | $ | /month |
| Military Entitlements | $ | /month |
| Other | $ | /month |
| **TOTAL $** | **0.00** | **/month** |

## 1d. IF APPLICABLE, Complete Information for Previous Employment/Self-Employment and Income

☐ ***Does not apply***

**Provide at least 2 years of current and previous employment and income.**

**Employer or Business Name** ______________

Street ______________ Unit # ______

City ______________ State ____ ZIP ______ Country ______

**Position or Title** ______________

**Start Date** ___ / ___ / _____ *(mm/dd/yyyy)*

**End Date** ___ / ___ / _____ *(mm/dd/yyyy)*

☐ **Check if you were the Business Owner or Self-Employed**

**Previous Gross Monthly Income $** ______ **/month**

## 1e. Income from Other Sources

☐ ***Does not apply***

**Include income from other sources below. Under Income Source, choose from the sources listed here:**

- Alimony
- Automobile Allowance
- Boarder Income
- Capital Gains
- Child Support
- Disability
- Foster Care
- Housing or Parsonage
- Interest and Dividends
- Mortgage Credit Certificate
- Mortgage Differential Payments
- Notes Receivable
- Public Assistance
- Retirement *(e.g., Pension, IRA)*
- Royalty Payments
- Separate Maintenance
- Social Security
- Trust
- Unemployment Benefits
- VA Compensation
- Other

**NOTE:** *Reveal alimony, child support, separate maintenance, or other income ONLY IF you want it considered in determining your qualification for this loan.*

| **Income Source** – *use list above* | **Monthly Income** |
|---|---|
| | $ |
| | $ |
| | $ |
| **Provide TOTAL Amount Here** | **$ 0.00** |

## Section 2: Financial Information — Assets and Liabilities.

This section asks about things you own that are worth money and that you want considered to qualify for this loan. It then asks about your liabilities (or debts) that you pay each month, such as credit cards, alimony, or other expenses.

### 2a. Assets – Bank Accounts, Retirement, and Other Accounts You Have

**Include all accounts below. Under Account Type, choose from the types listed here:**

- Checking
- Savings
- Money Market
- Certificate of Deposit
- Mutual Fund
- Stocks
- Stock Options
- Bonds
- Retirement *(e.g., 401k, IRA)*
- Bridge Loan Proceeds
- Individual Development Account
- Trust Account
- Cash Value of Life Insurance *(used for the transaction)*

| **Account Type** – *use list above* | **Financial Institution** | **Account Number** | **Cash or Market Value** |
|---|---|---|---|
| | | | $ |
| | | | $ |
| | | | $ |
| | | | $ |
| | | | $ |
| | | **Provide TOTAL Amount Here** | **$ 0.00** |

### 2b. Other Assets and Credits You Have

☐ ***Does not apply***

**Include all other assets and credits below. Under Asset or Credit Type, choose from the types listed here:**

*Assets*

- Proceeds from Real Estate Property to be sold on or before closing
- Proceeds from Sale of Non-Real Estate Asset
- Secured Borrowed Funds
- Unsecured Borrowed Funds
- Other

*Credits*

- Earnest Money
- Employer Assistance
- Lot Equity
- Relocation Funds
- Rent Credit
- Sweat Equity
- Trade Equity

| **Asset or Credit Type** – *use list above* | **Cash or Market Value** |
|---|---|
| | $ |
| | $ |
| | $ |
| | $ |
| **Provide TOTAL Amount Here** | **$ 0.00** |

### 2c. Liabilities – Credit Cards, Other Debts, and Leases that You Owe

☐ ***Does not apply***

**List all liabilities below (except real estate) and include deferred payments. Under Account Type, choose from the types listed here:**

- Revolving *(e.g., credit cards)*
- Installment *(e.g., car, student, personal loans)*
- Open 30-Day *(balance paid monthly)*
- Lease *(not real estate)*
- Other

| **Account Type** – *use list above* | **Company Name** | **Account Number** | **Unpaid Balance** | *To be paid off at or before closing* | **Monthly Payment** |
|---|---|---|---|---|---|
| | | | $ | ☐ | $ |
| | | | $ | ☐ | $ |
| | | | $ | ☐ | $ |
| | | | $ | ☐ | $ |
| | | | $ | ☐ | $ |

### 2d. Other Liabilities and Expenses

☐ ***Does not apply***

| **Include all other liabilities and expenses below. Choose from the types listed here:** • Alimony • Child Support • Separate Maintenance • Job Related Expenses • Other | **Monthly Payment** |
|---|---|
| | $ |
| | $ |
| | $ |

## Section 3: Financial Information — Real Estate.

This section asks you to list all properties you currently own and what you owe on them. ☐ ***I do not own any real estate***

### 3a. Property You Own

**If you are refinancing, list the property you are refinancing FIRST.**

**Address** Street ______ Unit # ______
City ______ State ______ ZIP ______ Country ______

| **Property Value** | **Status:** Sold, Pending Sale, or Retained | **Intended Occupancy:** Investment, Primary Residence, Second Home, Other | **Monthly Insurance,Taxes, Association Dues, etc.** *if not included in Monthly Mortgage Payment* | **For 2-4 Unit Primary or Investment Property** **Monthly Rental Income** | **For 2-4 Unit Primary or Investment Property** **For LENDER to calculate:** Net Monthly Rental Income |
|---|---|---|---|---|---|
| $ | | | $ | $ | $ |

**Mortgage Loans on this Property** ☐ ***Does not apply***

| **Creditor Name** | **Account Number** | **Monthly Mortgage Payment** | **Unpaid Balance** | *To be paid off at or before closing* | **Type:** FHA, VA, Conventional, USDA-RD, Other | **Credit Limit** *(if applicable)* |
|---|---|---|---|---|---|---|
| | | $ | $ | ☐ | | $ |
| | | $ | $ | ☐ | | $ |

### 3b. IF APPLICABLE, Complete Information for Additional Property

☐ ***Does not apply***

**Address** Street ______ Unit # ______
City ______ State ______ ZIP ______ Country ______

| **Property Value** | **Status:** Sold, Pending Sale, or Retained | **Intended Occupancy:** Investment, Primary Residence, Second Home, Other | **Monthly Insurance, Taxes, Association Dues, etc.** *if not included in Monthly Mortgage Payment* | **For 2-4 Unit Primary or Investment Property** **Monthly Rental Income** | **For 2-4 Unit Primary or Investment Property** **For LENDER to calculate:** Net Monthly Rental Income |
|---|---|---|---|---|---|
| $ | | | $ | $ | $ |

**Mortgage Loans on this Property** ☐ ***Does not apply***

| **Creditor Name** | **Account Number** | **Monthly Mortgage Payment** | **Unpaid Balance** | *To be paid off at or before closing* | **Type:** FHA, VA, Conventional, USDA-RD, Other | **Credit Limit** *(if applicable)* |
|---|---|---|---|---|---|---|
| | | $ | $ | ☐ | | $ |
| | | $ | $ | ☐ | | $ |

### 3c. IF APPLICABLE, Complete Information for Additional Property

☐ ***Does not apply***

**Address** Street ______ Unit # ______
City ______ State ______ ZIP ______ Country ______

| **Property Value** | **Status:** Sold, Pending Sale, or Retained | **Intended Occupancy:** Investment, Primary Residence, Second Home, Other | **Monthly Insurance, Taxes, Association Dues, etc.** *if not included in Monthly Mortgage Payment* | **For 2-4 Unit Primary or Investment Property** **Monthly Rental Income** | **For 2-4 Unit Primary or Investment Property** **For LENDER to calculate:** Net Monthly Rental Income |
|---|---|---|---|---|---|
| $ | | | $ | $ | $ |

**Mortgage Loans on this Property** ☐ ***Does not apply***

| **Creditor Name** | **Account Number** | **Monthly Mortgage Payment** | **Unpaid Balance** | *To be paid off at or before closing* | **Type:** FHA, VA, Conventional, USDA-RD, Other | **Credit Limit** *(if applicable)* |
|---|---|---|---|---|---|---|
| | | $ | $ | ☐ | | $ |
| | | $ | $ | ☐ | | $ |

**Borrower Name:** ______

## Section 4: Loan and Property Information.

This section asks about the loan's purpose and the property you want to purchase or refinance.

### 4a. Loan and Property Information

**Loan Amount** $ ______ **Loan Purpose** ◯ Purchase ◯ Refinance ◯ Other *(specify)* ______

**Property Address** Street ______ Unit # ______

City ______ State ______ ZIP ______ County ______

Number of Units ______ **Property Value $** ______

**Occupancy** ◯ Primary Residence ◯ Second Home ◯ Investment Property **FHA Secondary Residence** ☐

**1. Mixed-Use Property.** If you will occupy the property, will you set aside space within the property to operate your own business? (*e.g., daycare facility, medical office, beauty/barber shop*) ◯ NO ◯ YES

**2. Manufactured Home.** Is the property a manufactured home? *(e.g., a factory built dwelling built on a permanent chassis)* ◯ NO ◯ YES

### 4b. Other New Mortgage Loans on the Property You are Buying or Refinancing

☐ ***Does not apply***

| Creditor Name | Lien Type | Monthly Payment | Loan Amount/ Amount to be Drawn | Credit Limit *(if applicable)* |
|---|---|---|---|---|
| | ◯ First Lien ◯ Subordinate Lien | $ | $ | $ |
| | ◯ First Lien ◯ Subordinate Lien | $ | $ | $ |

### 4c. Rental Income on the Property You Want to Purchase

**For Purchase Only** ☐ ***Does not apply***

| Complete if the property is a 2-4 Unit Primary Residence or an Investment Property | Amount |
|---|---|
| Expected Monthly Rental Income | $ |
| **For LENDER to calculate:** Expected Net Monthly Rental Income | $ |

### 4d. Gifts or Grants You Have Been Given or Will Receive for this Loan

☐ ***Does not apply***

**Include all gifts and grants below. Under Source, choose from the sources listed here:**

- Community Nonprofit
- Federal Agency
- Relative
- State Agency
- Lender
- Employer
- Local Agency
- Religious Nonprofit
- Unmarried Partner
- Other

| **Asset Type:** Cash Gift, Gift of Equity, Grant | Deposited/Not Deposited | **Source** – *use list above* | Cash or Market Value |
|---|---|---|---|
| | ◯ Deposited ◯ Not Deposited | | $ |
| | ◯ Deposited ◯ Not Deposited | | $ |

## Section 5: Declarations. This section asks you specific questions about the property, your funding, and your past financial history.

### 5a. About this Property and Your Money for this Loan

| | |
|---|---|
| **A.** Will you occupy the property as your primary residence? | ◯ NO ◯ YES |
| If YES, have you had an ownership interest in another property in the last three years? | ◯ NO ◯ YES |
| If YES, complete (1) and (2) below: | |
| (1) What type of property did you own: primary residence (PR), FHA secondary residence (SR), second home (SH), or investment property (IP)? | ______ |
| (2) How did you hold title to the property: by yourself (S), jointly with your spouse (SP), or jointly with another person (O)? | ______ |
| **B.** If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property? | ◯ NO ◯ YES |
| **C.** Are you borrowing any money for this real estate transaction *(e.g., money for your closing costs or down payment)* or obtaining any money from another party, such as the seller or realtor, that you have not disclosed on this loan application? | ◯ NO ◯ YES |
| If YES, what is the amount of this money? | $ ______ |
| **D.** 1. Have you or will you be applying for a mortgage loan on another property (not the property securing this loan) on or before closing this transaction that is not disclosed on this loan application? | ◯ NO ◯ YES |
| 2. Have you or will you be applying for any new credit *(e.g., installment loan, credit card, etc.)* on or before closing this loan that is not disclosed on this application? | ◯ NO ◯ YES |
| **E.** Will this property be subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid through your property taxes *(e.g., the Property Assessed Clean Energy Program)*? | ◯ NO ◯ YES |

### 5b. About Your Finances

| | |
|---|---|
| **F.** Are you a co-signer or guarantor on any debt or loan that is not disclosed on this application? | ◯ NO ◯ YES |
| **G.** Are there any outstanding judgments against you? | ◯ NO ◯ YES |
| **H.** Are you currently delinquent or in default on a Federal debt? | ◯ NO ◯ YES |
| **I.** Are you a party to a lawsuit in which you potentially have any personal financial liability? | ◯ NO ◯ YES |
| **J.** Have you conveyed title to any property in lieu of foreclosure in the past 7 years? | ◯ NO ◯ YES |
| **K.** Within the past 7 years, have you completed a pre-foreclosure sale or short sale, whereby the property was sold to a third party and the Lender agreed to accept less than the outstanding mortgage balance due? | ◯ NO ◯ YES |
| **L.** Have you had property foreclosed upon in the last 7 years? | ◯ NO ◯ YES |
| **M.** Have you declared bankruptcy within the past 7 years? If YES, identify the type(s) of bankruptcy: ☐ Chapter 7 ☐ Chapter 11 ☐ Chapter 12 ☐ Chapter 13 | ◯ NO ◯ YES |

## Section 6: Acknowledgments and Agreements. This section tells you about your legal obligations when you sign this application.

### Acknowledgments and Agreements

**Definitions:**

- "Lender" includes the Lender's agents, service providers, and any of their successors and assigns.
- "Other Loan Participants" includes (i) any actual or potential owners of a loan resulting from this application (the "Loan"), (ii) acquirers of any beneficial or other interest in the Loan, (iii) any mortgage insurer, (iv) any guarantor, (v) any servicer of the Loan, and (vi) any of these parties' service providers, successors or assigns.

**I agree to, acknowledge, and represent the following:**

**(1) The Complete Information for this Application**

- The information I have provided in this application is true, accurate, and complete as of the date I signed this application.
- If the information I submitted changes or I have new information before closing of the Loan, I must change and supplement this application, including providing any updated/supplemented real estate sales contract.
- For purchase transactions: The terms and conditions of any real estate sales contract signed by me in connection with this application are true, accurate, and complete to the best of my knowledge and belief. I have not entered into any other agreement, written or oral, in connection with this real estate transaction.
- The Lender and Other Loan Participants may rely on the information contained in the application before and after closing of the Loan.
- Any intentional or negligent misrepresentation of information may result in the imposition of:
  (a) civil liability on me, including monetary damages, if a person suffers any loss because the person relied on any misrepresentation that I have made on this application, and/or
  (b) criminal penalties on me including, but not limited to, fine or imprisonment or both under the provisions of Federal law (18 U.S.C. §§ 1001 *et seq*.).

**(2) The Property's Security**

The Loan I have applied for in this application will be secured by a mortgage or deed of trust which provides the Lender a security interest in the property described in this application.

**(3) The Property's Appraisal, Value, and Condition**

- Any appraisal or value of the property obtained by the Lender is for use by the Lender and Other Loan Participants.
- The Lender and Other Loan Participants have not made any representation or warranty, express or implied, to me about the property, its condition, or its value.

**(4) Electronic Records and Signatures**

- The Lender and Other Loan Participants may keep any paper record and/or electronic record of this application, whether or not the Loan is approved.
- If this application is created as (or converted into) an "electronic application", I consent to the use of "electronic records" and "electronic signatures" as the terms are defined in and governed by applicable Federal and/or state electronic transactions laws.
- I intend to sign and have signed this application either using my:
  (a) electronic signature; or
  (b) a written signature and agree that if a paper version of this application is converted into an electronic application, the application will be an electronic record, and the representation of my written signature on this application will be my binding electronic signature.
- I agree that the application, if delivered or transmitted to the Lender or Other Loan Participants as an electronic record with my electronic signature, will be as effective and enforceable as a paper application signed by me in writing.

**(5) Delinquency**

- The Lender and Other Loan Participants may report information about my account to credit bureaus. Late payments, missed payments, or other defaults on my account may be reflected in my credit report and will likely affect my credit score.
- If I have trouble making my payments I understand that I may contact a HUD-approved housing counseling organization for advice about actions I can take to meet my mortgage obligations.

**(6) Authorization for Use and Sharing of Information**

By signing below, in addition to the representations and agreements made above, I expressly authorize the Lender and Other Loan Participants to obtain, use, and share with each other (i) the loan application and related loan information and documentation, (ii) a consumer credit report on me, and (iii) my tax return information, as necessary to perform the actions listed below, for so long as they have an interest in my loan or its servicing:

(a) process and underwrite my loan;
(b) verify any data contained in my consumer credit report, my loan application and other information supporting my loan application;
(c) inform credit and investment decisions by the Lender and Other Loan Participants;
(d) perform audit, quality control, and legal compliance analysis and reviews;
(e) perform analysis and modeling for risk assessments;
(f) monitor the account for this loan for potential delinquencies and determine any assistance that may be available to me; and
(g) other actions permissible under applicable law.

**Borrower Signature** ______________________________ Date *(mm/dd/yyyy)* ____/____/______

**Additional Borrower Signature** ______________________________ Date *(mm/dd/yyyy)* ____/____/______

## Section 7: Military Service. This section asks questions about your (or your deceased spouse's) military service.

**Military Service of Borrower**

**Military Service** – Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces? ◯ **NO** ◯ **YES**

*If YES, check all that apply:*
- ☐ Currently serving on active duty with projected expiration date of service/tour ____ /____ /_______ *(mm/dd/yyyy)*
- ☐ Currently retired, discharged, or separated from service
- ☐ Only period of service was as a non-activated member of the Reserve or National Guard
- ☐ Surviving spouse

## Section 8: Demographic Information. This section asks about your ethnicity, sex, and race.

**Demographic Information of Borrower**

**The purpose of collecting this information** is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." **The law provides that we may not discriminate** on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application. If you do not wish to provide some or all of this information, please check below.

**Ethnicity:** *Check one or more*
- ☐ Hispanic or Latino
  - ☐ Mexican ☐ Puerto Rican ☐ Cuban
  - ☐ Other Hispanic or Latino – *Print origin:*
    ______________________________
    *For example: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.*
- ☐ Not Hispanic or Latino
- ☐ I do not wish to provide this information

**Sex**
- ☐ Female
- ☐ Male
- ☐ I do not wish to provide this information

**Race:** *Check one or more*
- ☐ American Indian or Alaska Native – *Print name of enrolled or principal tribe* : ______________________________
- ☐ Asian
  - ☐ Asian Indian ☐ Chinese ☐ Filipino
  - ☐ Japanese ☐ Korean ☐ Vietnamese
  - ☐ Other Asian – *Print race:* ______________________________
    *For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.*
- ☐ Black or African American
- ☐ Native Hawaiian or Other Pacific Islander
  - ☐ Native Hawaiian ☐ Guamanian or Chamorro ☐ Samoan
  - ☐ Other Pacific Islander – *Print race:*
    ______________________________
    *For example: Fijian, Tongan, and so on.*
- ☐ White
- ☐ I do not wish to provide this information

**To Be Completed by Financial Institution (for application taken in person):**

Was the ethnicity of the Borrower collected on the basis of visual observation or surname? ◯ NO ◯ YES
Was the sex of the Borrower collected on the basis of visual observation or surname? ◯ NO ◯ YES
Was the race of the Borrower collected on the basis of visual observation or surname? ◯ NO ◯ YES

**The Demographic Information was provided through:**

◯ Face-to-Face Interview *(includes Electronic Media w/ Video Component)* ◯ Telephone Interview ◯ Fax or Mail ◯ Email or Internet

## Section 9: Loan Originator Information. To be completed by your **Loan Originator**.

**Loan Originator Information**

Loan Originator Organization Name ______________________

Address ______________________

Loan Originator Organization NMLSR ID# ______________ State License ID# ______________

Loan Originator Name ______________________

Loan Originator NMLSR ID# ______________ State License ID# ______________

Email ______________________ Phone ( ____ ) ____ – ______

Signature ______________________ Date *(mm/dd/yyyy)* ____ / ____ / ______

Please provide the forwarding address for the person being released from the PHFA mortgage liability.

**PHFA Loan Number (s):** ______________________________

Name:_____________________________________________

Street: ___________________________________________

City, State, Zip: ____________________________________

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

▶ Go to *www.irs.gov/FormW9* for instructions and the latest information.

**Give Form to the requester. Do not send to the IRS.**

**Print or type.** See **Specific Instructions** on page 3.

**1** Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

**2** Business name/disregarded entity name, if different from above

**3** Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ ________

**Note:** Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

**4** Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) ________

Exemption from FATCA reporting code (if any) ________

*(Applies to accounts maintained outside the U.S.)*

**5** Address (number, street, and apt. or suite no.) See instructions.

**6** City, state, and ZIP code

Requester's name and address (optional)

**Pennsylvania Housing Finance Agency**
**211 N Front St**
**Harrisburg PA 17101**

**7** List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN,* later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

**Social security number**

☐☐☐ – ☐☐ – ☐☐☐☐

**or**

**Employer identification number**

☐☐ – ☐☐☐☐☐☐☐

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign Here** **Signature of U.S. person ▶** **Date ▶**

# General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments**. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9.*

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See* What is backup withholding, *later.*

Fannie Mae

# Request for Verification of Employment

**Privacy Act Notice:** This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. seq., or 7 USC, 1921 et. seq. (if USDA/FmHA).

**Instructions:** **Lender** — Complete items 1 through 7. Have applicant complete item 8. Forward directly to employer named in item 1.
**Employer** — Please complete either Part II or Part III as applicable. Complete Part IV and return directly to lender named in item 2.
**The form is to be transmitted directly to the lender and is not to be transmitted through the applicant or any other party.**

## Part I — Request

| 1. To (Name and address of employer) | 2. From (Name and address of lender)<br>Pennsylvania Housing Finance Agency<br>211 N. Front St<br>Harrisburg, PA 17101 |
|---|---|

I certify that this verification has been sent directly to the employer and has not passed through the hands of the applicant or any other interested party.

| 3. Signature of Lender | 4. Title | 5. Date | 6. Lender's Number (Optional) |
|---|---|---|---|

I have applied for a mortgage loan and stated that I am now or was formerly employed by you. My signature below authorizes verification of this information.

| 7. Name and Address of Applicant (include employee or badge number) | 8. Signature of Applicant |
|---|---|

## Part II — Verification of Present Employment

| 9. Applicant's Date of Employment | 10. Present Position | 11. Probability of Continued Employment |
|---|---|---|

12A. Current **Gross** Base Pay (Enter Amount and Check Period)

☐ Annual ☐ Hourly
☐ Monthly ☐ Other (Specify)
$ ________ ☐ Weekly

12B. **Gross** Earnings

| Type | Year To Date | Past Year | Past Year |
|---|---|---|---|
| Base Pay | Thru ______ $ | $ | $ |
| Overtime | $ | $ | $ |
| Commissions | $ | $ | $ |
| Bonus | $ | $ | $ |
| Total | $ 0.00 | $ 0.00 | $ 0.00 |

13. For Military Personnel Only

| Pay Grade | |
|---|---|
| Type | Monthly Amount |
| Base Pay | $ |
| Rations | $ |
| Flight or Hazard | $ |
| Clothing | $ |
| Quarters | $ |
| Pro Pay | $ |
| Overseas or Combat | $ |
| Variable Housing Allowance | $ |

14. If Overtime or Bonus is Applicable, Is Its Continuance Likely?
Overtime ☐ Yes ☐ No
Bonus ☐ Yes ☐ No

15. If paid hourly — average hours per week

16. Date of applicant's next pay increase

17. Projected amount of next pay increase

18. Date of applicant's last pay increase

19. Amount of last pay increase

20. Remarks (If employee was off work for any length of time, please indicate time period and reason)

## Part III — Verification of Previous Employment

| 21. Date Hired<br>22. Date Terminated | 23. Salary/Wage at Termination Per (Year) (Month) (Week)<br>Base ________ Overtime ________ Commissions ________ Bonus ________ |
|---|---|
| 24. Reason for Leaving | 25. Position Held |

**Part IV — Authorized Signature** - Federal statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal connivance or conspiracy purposed to influence the issuance of any guaranty or insurance by the VA Secretary, the U.S.D.A., FmHA/FHA Commissioner, or the HUD/CPD Assistant Secretary.

| 26. Signature of Employer | 27. Title (Please print or type) | 28. Date |
|---|---|---|
| 29. Print or type name signed in Item 26 | 30. Phone No. | |

PHFA
Pennsylvania Housing Finance Agency
Loan Servicing Division
P.O. Box 15057
Harrisburg, PA 17105-5057

Toll free: 855-827-3466
TTY: 800-654-5984
Mon-Fri, 8 a.m.-7 p.m.
www.PHFA.org

***Debt to Income Calculation Worksheet***

Please use the worksheet below to calculate your Housing Payment and Debt Ratios.

Note: Worksheet is for informational purposes only and not to be considered a commitment to assume and will be subject to verification by PHFA when all documents and application is submitted.

**Housing Payment Ratio**

1. Total gross monthly income, before taxes and other deductions $__________
2. Total monthly PHFA Mortgage payment(s) if you have a 2nd loan $
3. Divide the total from line 2 by the total from line 1 $ 0%

**Debt to Income Ratio**

1. Total monthly PHFA Mortgage payments, line 2 above. $__________
2. Monthly payments for debt ratio must include monthly payments to credit cards, auto, installment loans and student loans. This will include anything that will be on your credit report.
   - Credit Card __________
   - Credit Card __________
   - Credit Card __________
   - Credit Card __________
   - Credit Card __________
   - Auto Loan __________
   - Auto Loan __________
   - Installment Loan __________
   - Installment Loan __________
   - Student Loan __________
   - Student Loan __________
   - Student Loan __________
   - Student Loan __________
   - Student Loan __________
   - Student Loan __________
   - Student Loan __________
   - Student Loan __________
   - Child Support/Alimony (Payor)__________
   - Other __________
   - Other __________
   - Other __________ $ $ 0.00
3. Add lines 1 and 2 together from Debt Ratio $ $ 0.00
4. Divide line 3 by line 1 in Housing Payment Ratio $ 0%

| Housing Payment Ratio<br>enter from line 3 | Debt to Income Ratio<br>enter from line 4 |
|---|---|
| 0%__________% | 0%__________% |
| Must be 31% or less | Must be 43% or less |